



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION WEDNESDAY, MAY 22, 2019

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 401 North G. Street, Tacoma, WA 98403 at 4:45 PM on Wednesday, May 22, 2019.

1. CALL TO ORDER

Chair Hodge called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:48 PM.

2. ROLL CALL

Upon roll call, those present and absent were as follows:

PRESENT	ABSENT
Commissioners	
Chair Minh-Anh Hodge	
Vice Chair Derek Young	
	Commissioner Arthur Banks
Commissioner Stanley Rumbaugh (arrived late at 4:51 pm)	
Commissioner Shennetta Smith	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Administrator	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
	Toby Kaheiki, Human Resources Director
Frankie Johnson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
Julie LaRocque, Rental Assistance Director	
Cacey Hanauer, Client Support & Empowerment Director	

Chair Hodge declared there was a quorum present @ 4:48 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners on Wednesday, April 24, 2019. Chair Hodge asked for corrections to the Real Estate Development administrative report. Vice Chair Young moved to adopt the minutes with corrections from Chair Hodge; Commissioner Smith seconded.

Upon roll call, the vote was as follows:

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion approved.

4. GUEST COMMENTS

Karen Scott, G. Street Tenant

Scott addressed the board. She is delighted with many of the changes at North G, but is requesting that the exterior of windows be washed. Director Johnson said THA has not had a schedule in the past for cleaning windows, but property management will create one.

Commissioner Rumbaugh also requested property management to weed and replant the planter in front of the building.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Nothing to report.

Finance Committee—Chair Hodge and Vice Chair Young

Nothing to report.

Education Committee—Chair Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Commissioner Banks was not in attendance.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra confirmed that THA received funds for Arlington Drive from the legislative session. THA will have discussions with the State to make sure operating funds will be folded into the baseline budget from the Department of

Commerce. Director McCormick reported that subcontractor bids have come in higher than the budgeted (\$1.3M gap), which is normal for a project this size.

With the education project redesign and expansion, THA will spend \$10.4M over the next three years. In order to do that, THA will need \$500K a year for each of the next 3 years for staffing to design, launch and evaluate the programs. The Gates grant funding will expire at the end of the year and THA will need to backfill it. ED Mirra reported good progress in raising the money.

ED Mirra directed the board to page 2 of the Rental Assistance administrative report. He noted the good news that THA's utilization rate is exceeding the 95% rate that THA budgeted to meet. While this is good news it does present budget challenges. The challenge is to sustain this rate while honoring its commitments of rental subsidies to the Education Project and partners. He said that staff will have a proposal for the Board to consider.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the 1st quarter finance report. Financially, THA is in good shape. Currently he is not seeing any budget challenges. Sec 8 Housing Assistance Program (HAP) Payments is at \$8.7M in expenditures against the budgeted \$9.3M. There are excess funds at the end of the 1st quarter because utilization was lower. THA could end up with an excess of \$700K over budgeted, which is not a problem. According to Director Shalik budget discussions are important because they impact the budget in future years. Total Operating Expenses is a deficit of \$445K at the end of March, which is not a concern. The projected actual surplus is at \$4M because THA closed on Renew Tacoma and received \$1M of the \$5M developer fee, and will be receiving the remainder between July and August.

Other Revenue is budgeted at \$4.69M, but may come in at \$1.5M. Renew Tacoma is deferred until closing. THA has been accumulating waterfall payments from the close of Rental Assistance Demonstration (RAD) in 2018 until now. Because THA is not paying debt service, waterfall is higher. Due to the timing of closing, THA may not receive funds until next year, which decreases surplus for the year and will help in 2020. Finance and Real Estate Development are working on rebranding closing with RBC but will not know until the environmental remediation from Wright and K Streets receive the No Further Action (NFA) letters from the Department of Ecology (DOE) in a timely manner.

THA is keeping to its principles of having low MTW balance, which is at \$75K. Director Shalik had to draw down funds on the MTW Cash Held by HUD. THA unencumbered reserve is at \$6.2M, and Development Advances at \$1.7M.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$5,214,674 for the month of April 2019. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved.

Executive

Executive Administrator Sha Peterson provided the board a copy of the 2019 THA Board of Commissioners (BOC) Meeting Schedule. Commissioner Rumbaugh moved to approve the 2019 THA BOC Meeting Schedule. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. THA secured funding for operations at Arlington and Director Hanauer is working with the Office of Homeless Youth to make sure funds are easy to access for the purpose. The CSE report this month looks different—it shows what CSE does, not just outputs, but outcomes. CSE is also hoping to show how its work saves THA in avoided costs of evictions by intervening with tenants who are struggling. This year those savings amount to \$334K. This shows the hard work the team is doing. Commissioner Smith asked what CSE staff are doing to bring people in the senior building working together. Cacey described the work of Martha Matthias hosting art and fall prevention classes.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. Utilization is up. THA's Landlord Engagement Specialist (LES) has ignited the Landlord Advisory Group, which now have more interest in THA programs. The LES will keep encouraging landlords to remember THA when they have a vacancy. According to Director LaRocque, it takes everyone's efforts to make this utilization the way it is. Commissioner Smith thanked staff for their work and for helping people who need help. Commissioner Rumbaugh asked if Director LaRocque is seeing less reluctance because

of the LES. She responded that the LES shows up to a lot at the advisory meetings and they are warming up to him to the point that they are not fearful. She is also seeing a thaw in the market and is hopeful with summer coming up that more people can get housed. ED Mirra asked if the new law outlawing discrimination against voucher holders is a factor in the improved utilization. Director LaRocque thought that it is helping. Vice Chair Young noted that there was also a utilization jump of more than 2% in June 2018. Director LaRocque stated that THA sees more vacancies this time of year, which is typical.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. Unit turn days is trending in the right direction; next month will be closer to the 20-day goal. The Unit Turn pilot program and Leasing pilot program did very well and provided opportunity to make two programs work together. The Maintenance Specialist Lead for a new pilot program is tasked with finding efficiencies in the PM department. It will be a good opportunity to look at current staff members to fill vacancies. *"We have skilled staff to promote within and this will give maintenance the chance to show their skills and find out if this is something they are interested in,"* commented Director Johnson.

Total work orders done during the 1st quarter is just under 1500. Commissioner Rumbaugh would like to ensure that the categories show the nature of the work orders, not the time it took for a work order to be completed. According to Director Johnson, when the orders come in, there is a triage process. Chair Hodge suggested categorizing the orders by type of request and number of days to complete. Vice Chair Young asked if the system gives a priority to the orders (i.e. severity from 1-5) as a predetermined thing with a defined budget to finish. Director Johnson responded that there is a priority provided from 1-3, which will be noted on her improved report for the July meeting. ED Mirra mentioned that the Work Orders chart on page 4 of the PM report provides the three categories and the next page provides the time it took to complete the work orders—this information should be in one chart that shows what the expectation is to finish each category and the actual time it took staff to finish the orders. ED Mirra added that there is a notable victory on page 1 of the PM report—the portfolio is 99% occupied. This should be celebrated because in the housing world this is not too common. This also shows that the tenants like where they are living, which in turn translates to a decent rent collection rate. Commissioner Rumbaugh added that the tenants are also receiving great service from staff.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. The RED team met with THA's attorney and CDK, the contractor for Alberta Canada to seek a settlement agreement on THA's claim for liquidated damages. Further talks will be necessary. Alberta Canada's ribbon cutting is scheduled for June 10, and the board will receive notice. Lyle Quasim will be the Master of Ceremonies, Mayor Woodards will be the Lead Speaker, followed by Council Member Keith Blocker, Sound

Outreach Executive Director Bryan Flint, United Way President & CEO Dona Ponepinto, Alberta Canada family and Mosaic Artist Mauricio Robalino.

Director McCormick gave an update on the bidding for the work at Arlington. The bids are coming in higher than budgeted. ED Mirra asked about the effort in getting young people into those jobs. THA and Korsmo met recently to go through Korsmo's Section 3 hiring plan and outreach for minority workers. They are reaching out to different organizations which provide certificates to different kinds of trades. THA and Korsmo will host interviews to prescreen and match individuals with subcontractors. Director McCormick's strong hope is that unions will be actively engaged. Commissioner Smith requested information because she works with the homeless. Director McCormick will send the plan and contact information for Nicole with Korsmo to Commissioner Smith.

There is a series of resolutions for the financial closings for 1800 Block and Arlington Drive Apartments. The guts are the same for both projects; just the dollars shift. Both projects have the same lender and investor.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 RESOLUTION 2019-05-22 (1)

(Extension of Project Based Voucher Contract: Salishan Six)

WHEREAS, THA has provided project based voucher assistance to Salishan Six, LLC's property Salishan Six since 2009; and

WHEREAS, Salishan Six provides housing for low-income families in the community; and

WHEREAS, A fifteen year extension will allow THA and Salishan Six to continue to provide housing assistance to low-income families in the community; and

WHEREAS, Failure to extend this contract would lead to a loss of affordable housing units; now, therefore, be it

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

The Board authorizes an extension of THA's PBV HAP Contract with Salishan Six, LLC for fifteen (15) years.

Commissioner Rumbaugh motioned to approve the resolution. Commissioner Smith seconded the motion.

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9.2 RESOLUTION NO. 2019-05-22 (2)
(Conversion of Subsidy for Hillside Terrace & Salishan Properties to RAD)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the Authority's participation in HUD's Rental Assistance Demonstration program with respect to the Hillside Terrace Phase I, Hillside Terrace Phase II, Salishan One, Salishan Two, Salishan Three, Salishan Four, Salishan Five and Salishan Six Projects; authorizing the amendment of agreements to address requirements of HUD's Rental Assistance Demonstration program; and determining related matters.

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"; and

WHEREAS, RCW 35.82.070 authorizes the Housing Authority of the City of Tacoma (the "Authority"), among other things, to "prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof," "make and execute contracts and other instruments, including but not limited to partnership agreements," and "make . . . loans for the . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income"; and

WHEREAS, The Authority is the general partner of Hillside Terrace Phase I Limited Partnership ("HTI Partnership"), which limited partnership developed a 21-unit affordable rental housing project commonly known as Hillside Terrace Phase I (the "HTI Project"), on property located on the 2300 Block of South G Street in Tacoma, Washington, that was leased to HTI Partnership by the Authority; and

WHEREAS, To finance the HTI Project, HTI Partnership incurred a loan from the State of Washington Department of Community, Trade and Economic Development, Office of Community Development ("Commerce"), which loan is still outstanding; and

WHEREAS, The Authority is the general partner of Hillside Terrace Phase II Limited Partnership ("HTII Partnership"), which limited partnership developed a 25-unit affordable rental housing project commonly known as Hillside Terrace Phase II (the "HTII Project"), on property located on the 2300 Block of South G Street in Tacoma, Washington, that was leased to HTII Partnership by the Authority; and

WHEREAS, To finance the HTII Project, HTII Partnership incurred a loan from Commerce, which loan is still outstanding; and

WHEREAS, The Authority is the managing member of Salishan One LLC, which limited liability company developed a 90-unit affordable rental housing project (the "Salishan One Project") on property located at 1724 East 44th Street, Tacoma, Washington that was leased to Salishan One LLC by the Authority; and

WHEREAS, To finance the Salishan One Project, Salishan One LLC incurred loans from Commerce and the Authority, which loans are still outstanding; and

WHEREAS, The Authority is the managing member of Salishan Two LLC, which limited liability company developed a 90-unit affordable rental housing project (the "Salishan Two Project") on property located at 1725 East 44th Street, Tacoma, Washington, that was leased to Salishan Two LLC by the Authority; and

WHEREAS, To finance the Salishan Two Project, Salishan Two LLC incurred loans from Commerce and the Authority, which loans are still outstanding; and

WHEREAS, The Authority is the managing member of Salishan Three LLC, which limited liability company developed a 90-unit affordable rental housing project (the "Salishan Three Project") on property located at 1726 East 44th Street, Tacoma, Washington that was leased to Salishan Three LLC by the Authority; and

WHEREAS, To finance the Salishan Three Project, Salishan Three LLC incurred loans from the Commerce and the Authority, which loans are still outstanding; and

WHEREAS, The Authority is the managing member of Salishan Four LLC, which limited liability company developed a 90-unit affordable rental housing project (the "Salishan Four Project") on property located at 1727 East 44th Street, Tacoma, Washington that was leased to Salishan Four LLC by the Authority; and

WHEREAS, To finance the Salishan Four Project, Salishan Four LLC incurred loans from the Bank of America, N.A., Commerce, Tacoma Community Redevelopment Authority ("TCRA") and the Authority, which loans are still outstanding; and

WHEREAS, The Authority is the managing member of Salishan Five LLC, which limited liability company developed a 90-unit affordable rental housing project (the "Salishan Five Project") on property located at 1728 East 44th Street, Tacoma, Washington that was leased to Salishan Five LLC by the Authority; and

WHEREAS, To finance the Salishan Five Project, Salishan Five LLC incurred loans from Citicorp Municipal Mortgage Inc., Commerce, TCRA and the Authority, which loans are still outstanding; and

WHEREAS, The Authority is the managing member of Salishan Six LLC, which limited liability company developed a 90-unit affordable rental housing project (the "Salishan Six Project") on property located at 1729 East 44th Street, Tacoma, Washington that was leased to Salishan Six LLC by the Authority; and

WHEREAS, To finance the Salishan Six Project, Salishan Six LLC incurred loans from Washington Community Reinvestment Association, Commerce, TCRA and the Authority, which loans are still outstanding; and

WHEREAS, The HTI Project, the HTII Project, the Salishan One Project, the Salishan Two Project, the Salishan Three Project, the Salishan Four Project, the Salishan Five Project and the Salishan Six Project (collectively, the "Projects") currently support the Authority's public housing activities; and

WHEREAS, THA applied to the U.S. Department of Housing and Urban Development ("HUD") to allow the Projects to be converted from public housing projects to project-based Section 8 projects under HUD's Rental Assistance Demonstration ("RAD") program, and HUD has approved of such conversions, subject to the meeting of certain conditions by the Authority and by HTI Partnership, HTII Partnership, Salishan One LLC, Salishan Two LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC and Salishan Six LLC (collectively, the "Owner Entities"); and

WHEREAS, In connection with the conversion from public housing subsidies to project-based Section 8 subsidies for the Projects, certain provisions of the Owner Entities' partnership agreements, operating agreements, project leases, loan documents and related documents must be amended, certain existing public housing agreements must be terminated, and certain RAD program agreements must be entered; and

WHEREAS, Based on the consideration of funding sources available for the Projects, the need for affordable housing in the City, and other matters, it is necessary that the Authority proceed with the transactions described in this resolution; now, therefore, be it

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

1. Organizational Documents. The Authority's Executive Director and the Authority's Deputy Executive Director (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized and directed to negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority an amendment to the existing limited partnership agreement or

operating agreement, as applicable, of each Owner Entity to remove references to public housing requirements, to insert references to RAD program requirements, to provide for additional capital contributions by the Authority (to the extent necessary or desirable to finance rehabilitation and other costs) and to make other revisions to such agreement as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of each Project from a public housing project to a project-based Section 8 project.

2. Amendments to Project Leases. The Authorized Officers (and each of them acting alone) are authorized to negotiate, execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or in its capacity as general partner or managing member of each Owner Entity, as applicable): (i) an amendment to each existing Lease Agreement between the Authority and an Owner Entity, in each case to remove references to public housing requirements, to insert references to RAD program requirements, and to make other revisions to such agreement as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of the Project from a public housing project to a project-based Section 8 project; and (ii) an amendment to the Memorandum of Lease Agreement between the Authority and each Owner Entity to reflect amendments made to such Lease Agreement.
3. Existing Loan Documents and HUD Documents. The Authorized Officers (and each of them acting alone) are authorized and directed to negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or in its capacity as general partner or managing member of each Owner Entity, as applicable): (i) those documents described in Exhibit A under the headings "Existing Loan Documents" and "HUD Documents" as they apply to each Owner Entity and Project; (ii) such other documents relating to each Owner Entity's existing loans as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of the Owner Entity's Project from a public housing project; and (iii) any document not described in Exhibit A under the heading "HUD Documents" that HUD requires in connection with such conversion.
4. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or in its capacity as general partner or managing member of each Owner Entity, as applicable) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or any Owner Entity not to execute or deliver such document; (ii) negotiate, execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government

forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; and (iii) cause the Authority and/or any Owner Entity to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

5. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director or Deputy Executive Director may, in such person's absence, be taken by any employee of the Authority that has been designated by the Executive Director to act in the absence of the Executive Director or Deputy Executive Director.
6. Changes to Titles or Parties. While the titles of and parties to the various documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.
7. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: May 22, 2019

Minh-Anh Hodge, Chair

EXHIBIT A

TRANSACTION DOCUMENTS

Existing Loan Documents

- A new priority and subordination agreement for each Project listing the relative priorities of HUD's Rental Assistance Demonstration Use Agreement and existing encumbrances for the Project;
- Amendments to the existing loan documents with Commerce, TCRA, the Authority, Bank of America, N.A. (or its successors in interest), Citicorp Municipal Mortgage Inc. (or its successors in interest), Washington Community Reinvestment Association and any other lender with an outstanding loan relating to a Project, all as necessary or desirable to remove references to public housing requirements and to insert references to RAD program requirements;
- Amendments to the loan or grant agreements, and related documents, for loans and grants underlying the Authority's various loans to the Owner Entities, all

as necessary or desirable to remove references to public housing requirements and, where applicable, to insert references to RAD program requirements;

HUD Documents

- Rental Assistance Demonstration (RAD) Conversion Commitment (Public Housing; First Component) among HUD, each Owner Entity and the Authority, together with any amendments thereto deemed necessary or advisable by any Authorized Officer;
- Rental Assistance Demonstration (RAD) for Conversion of Public Housing to the Section 8 Project-Based Voucher (PBV) Program Housing Assistance Payments Contract between the Authority and each Owner Entity;
- Rental Assistance Demonstration Use Agreement among HUD, each Owner Entity and the Authority;
- Consolidated Owner Certification – Rental Assistance Demonstration by the Authority and each Owner Entity;
- Certification and Assurances by the Authority and each Owner Entity;
- Termination of Mixed Finance Amendment to Annual Contributions Contract with respect to each Project between the Authority and HUD; and
- Termination of Regulatory and Operating Agreement between the Authority and each Owner Entity.

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and 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 copy of Resolution No. 2019-05-22(2) (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a duly noticed special meeting of the Authority held on May 22, 2019, and duly recorded in the minute books of the Authority; and

2. That such meeting was duly convened and held in all respects in accordance with law; 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 May 22, 2019.

Michael Mirra, Secretary and Executive Director of the Authority

Commissioner Rumbaugh motioned to approve the resolution. Commissioner Smith seconded the motion.

Upon roll call, the vote was as follows:

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9.3 RESOLUTION 2019-05-22 (3)
(THA's 1800 Hillside Terrace Use of Restricted Funds Additional Request)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, THA's Board of Commissioners approved Resolution 2018-10-24 (5) authorizing staff to see permission to use \$2M in restricted fund for the predevelopment and development expenses associated with building 1800 Hillside Terrace; and

WHEREAS, On March 22, 2018, Tacoma Housing Authority (THA) Staff issued a Request for Qualifications (RFQ) from firms interested in providing architectural and engineering services for the redevelopment of THA's 1800 Hillside project; and

WHEREAS, THA received approval to use \$2M in restricted funds to develop 1800 Hillside Terrace; and

WHEREAS, THA staff expect to use a total of \$2,600,000 in restricted funds from either the sale of land in Salishan or the sale of Public Housing Scattered site units for predevelopment and development costs associated with the Hillside 1800 project; and

WHEREAS, HUD restricts the use of these funds to increase affordable housing that have Project Based Vouchers and requires HUD approval to use the funds; and

WHEREAS, At least three (3) additional and twelve (12) total of the resulting units must be dedicated to the creation of affordable housing with Project Based Vouchers; and

WHEREAS, THA staff expect to be able to meet this requirement with the resulting development; now, therefore, be it

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

Apply to HUD for permission to use an additional \$600,000 of restricted funds for the use of predevelopment and development of THA's 1800 Hillside Terrace project for at least three (3) additional units dedicated to affordable housing.

Vice Chair Young motioned to approve the resolution. Commissioner Smith seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.4 THA BOC Resolution 2019-05-22 (4)
(1800 Hillside Terrace)**

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the lease of Authority property to Court F LLLP, authorizing one or more loans to Court F LLLP, approving the execution and delivery of documents relating to the 1800 Hillside Terrace development project, and determining related matters.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RENTON as follows:

Section 1. Recitals and Findings. The Board of Commissioners (the "Board") of the Housing Authority of the City of Tacoma (the "Authority") finds and determines that:

(a) Statutory Authorization. The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) "prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof" (RCW 35.82.070(2)); (ii) "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project" (RCW 35.82.070(5)); (iii) "make and execute contracts and other instruments, including but not limited to partnership agreements" (RCW 35.82.070(1)); (iv) "delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper"

(RCW 35.82.040); (v) “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income” (RCW 35.82.070(18)); and (vi) issue bonds, notes or other obligations for any of its corporate purposes (RCW 35.82.020(11) and 35.82.130). The phrase “housing project” is defined by RCW 35.82.020 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.”

(b) The Partnership. Pursuant to the authority provided by RCW 35.82.070(1), the Authority caused Court F LLLP, a Washington limited liability limited partnership (the “Partnership”) to be formed by filing with the Washington Secretary of State a certificate of limited partnership on October 11, 2016, and executing a Limited Partnership Agreement with Tacoma Housing Development Group (“THDG”). THDG will withdraw from the Partnership and BCP/1800 Hillside Terrace, LLC, a Delaware limited liability company and BCCC, Inc., a Massachusetts Corporation (or one or more of its affiliates) (collectively, the “Investor”) is willing to be a limited partner in the Partnership and to make capital contributions to the Partnership. In connection with the admission of the Investor as a limited partner of the Partnership, it is necessary to amend and restate the Partnership’s original partnership agreement, and to execute and deliver certain other agreements, certificates and documents relating to the Partnership and the Project (as defined below).

(c) The Project. The Authority owns the real property located at 1815 South G. Street, Tacoma, Washington (the “Property”). The Partnership has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to finance, acquire (by lease) and construct a 64-unit affordable rental housing project to be located on the Property, to provide housing for low-income persons within the Authority’s service area and known or to be known as the 1800 Hillside Terrace (the “Project”). In connection with the financing for the Project, the Authority will lease the Project to the Partnership and the Partnership will provide the Authority with a right of first refusal to acquire the Partnership’s interest in the Project at the end of the 15-year low-income housing tax credit “compliance period.”

(d) Sources of Financing. The total cost of the Project is anticipated to be approximately \$22,316,000, which will be financed by the Partnership with numerous sources of funds, including a Housing Trust Fund loan from the Washington State Department of Commerce (“Commerce”) in the anticipated amount of \$1,800,000, one or more loans in an aggregate amount not to exceed \$16,000,000 of proceeds of tax-exempt and taxable bonds issued by the Authority, one or more additional loans from the Authority in an aggregate not to exceed \$2,600,000 (a portion of which may be derived from proceeds of a Community Development Block Grant received by the Authority from Tacoma Community Redevelopment Authority (“TCRA”) or the City of Tacoma), a loan of Urban Development Action Grant funds from TCRA in the amount of approximately

\$300,000, and capital contributions in an anticipated aggregate amount of approximately \$12,740,000 from the Investor.

(e) Additional Findings. The Board finds and determines that the Property likely would not be developed and maintained as housing for individuals and families of low income unless the Partnership was formed and the Investor committed to make capital contributions to the Partnership. The Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as general partner of the Partnership and developer of the Project, and to obtain the various funding sources on behalf of the Project described above, and to make such funds available to the Partnership. The financial assistance to be provided by the Authority pursuant to this resolution is necessary to support the poor and infirm. The Board further finds that the loans to be made by the Authority authorized by this resolution are important for the feasibility of the Project and are necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law.

Section 2. Approval of Transaction Documents. The Authority is authorized to continue as a general partner of the Partnership and to provide development services to the Partnership. The Authority's Executive Director, the Chair of the Board and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized and directed to execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf, or as the general partner of the Partnership) (i) those documents listed in Exhibit A (collectively, the "Transaction Documents") in such forms as any Authorized Officer may approve (with the understanding that an Authorized Officer's signature on a Transaction Document shall be construed as the Authority's approval of such Transaction Document); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Transaction Documents. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or in its capacities as the general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Transaction Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). The Authorized Officers (or their designee), and each of them acting alone, are authorized and directed, without further Board approval, to take such actions on behalf of the Authority as are required to be taken by the general partner of the Partnership.

Section 3. Approval of Housing Authority Loans. The Authority is authorized to lend to the Partnership up to \$2,600,000 of available Authority funds, all pursuant to the terms of the Transaction Documents listed in Exhibit A under the heading "Housing Authority Loan Documents" (collectively, the "Housing Authority Loan Documents"). The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the source (or sources) of funds for each loan contemplated under the Housing Authority Loan Documents. Each loan is intended to be in addition to the loan of Authority bond proceeds to the

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Partnership authorized by a separate resolution (the "Bond Resolution"). At any Authorized Officer's discretion, all or any portion of the amount designated in this Section as a loan may be paid to the Partnership as a capital contribution in lieu of being lent to the Partnership.

Section 4. Authorization to Lease Property and Approval of Real Estate Encumbrances. In furtherance of its statutory authority to provide decent, safe and sanitary living accommodations for persons of low income, the Authority is authorized to: (i) lease to the Partnership, for a term not exceeding 100 years, the Property, all improvements located on such Property, and the Authority's interest in any personal property located on such Property and in such improvements; and (ii) encumber the Authority's interests in the Property (including its fee interest therein) pursuant to covenant agreements, regulatory agreements, extended use agreements, and other encumbrances that are Transaction Documents.

Section 5. Tax Credit Documents. The Authorized Officers (and each of them acting alone) are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing tax credits in connection with the Project including, without limitation, the filing of one or more applications with the Washington State Housing Finance Commission (the "Commission"); and the execution of all necessary and related documents, including without limitation regulatory agreements, declarations and restrictive covenants; the making of determinations required by Section 42(m)(2)(D) of the Internal Revenue Code of 1986, as amended; and the making of certifications with respect to the Project and the Partnership of the type described in Treasury Regulation § 1.42-8(b)(4)(i).

Section 6. Assignments. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute and deliver one or more instruments (i) assigning to the Partnership the Authority's rights, if any, under the construction contracts, the architects' contracts, the geotechnical consultant contracts, and other development contracts, as such rights pertain to the construction of improvements on the Property, and (ii) assigning to lenders and others the Partnership's interests in such contracts.

Section 7. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein and/or further the acquisition, construction, development, financing, construction, and leasing of the Project; and (iii) cause

the Authority and/or the Partnership to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, company management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.

Section 8. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority (whether acting on its own behalf or in its capacity as general partner of the Partnership) to fulfill the Authority's duties and obligations, and cause the Partnership to fulfill the Partnership's duties and obligations under the various Transaction Documents.

Section 9. Increase in Authority Participation. The Authorized Officers, and each of them acting alone, are authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, and to increase the principal amount of any loan by or capital contribution from the Authority by an amount up to \$500,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution and the Bond Resolution for all loans to the Partnership.

Section 10. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director of the Authority may, in such person's absence, be taken by the Vice Chair of the Board or the Deputy Executive Director of the Authority, respectively.

Section 11. Changes to Titles or Parties. While the titles of and parties to the various Transaction Documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 12. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution (including, without limitation, the formation of the Partnership and the selection of the Investor) are ratified and confirmed.

Section 13. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

EXHIBIT A TRANSACTION DOCUMENTS

"Partnership Documents"

- First Amended and Restated Agreement of Limited Liability Limited Partnership among the Authority, THDG, and the Investor;
- Development Agreement between the Partnership and the Authority;
- Purchase Option among the Partnership, the Authority and the Investor;

- Right of First Refusal Agreement among the Partnership, the Authority and the Investor;
- Tax certification of the Authority;
- Payment Certificates by the Authority;
- Reimbursement and Assignment Agreement between the Partnership and the Authority;
- Regulatory Agreement (Extended Use Agreement) among the Commission, the Authority and the Partnership;
- Property Management Agreement between the Authority and the Partnership;

“Bond Loan Documents”

- Loan Agreement between the Authority and the Partnership;
- Regulatory Agreement between the Authority and the Partnership;
- Credit Agreement between the Partnership and the Authority;
- Construction Loan Agreement between the Authority and the Partnership
- Promissory Note (Tax-Exempt Loan) from the Partnership payable to the Authority (and to be endorsed by the Authority to the Heritage Bank (the “Bank”);
- Promissory Note (Taxable Loan) from the Partnership payable to the Authority (and to be endorsed by the Authority to the Bank;
- Leasehold Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases and Rents from the Partnership in favor of the Authority, and assigned by the Authority to the Bank;
- Assignment of Loan and Security Documents from the Authority to the Bank;
- Assignment of Construction Contract, with Contractor’s Consent, in favor of the Bank;
- Assignment or Architect’s Agreement and Plans and Specifications, with Architect’s Consent, in favor of the Bank;
- Certificate and Indemnity Agreement Regarding Hazardous Substances made by the Partnership and the Borrower for the benefit of the Bank;
- Guaranty Agreement by the Authority in favor of the Bank; TIN and Foreign Status Certification by the Partnership;
- Federal Tax Exemption Certificate and Agreement between the Authority and the Partnership;

“Housing Authority Loan Documents”

- Master Loan Agreement between the Partnership and the Authority;
- One or more Promissory Note(s) from the Partnership in connection with loan(s) for costs relating to acquisition and/or construction of the Property and/or the Project;
- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Master Loan – 1800 Hillside Terrace) from the Partnership in favor of the Authority;

- Hazardous Substances Warranty/Indemnity Agreement between the Partnership and the Authority;

“Commerce Loan Documents”

- Specific Terms and Conditions, Housing Trust Fund Contract between the Washington State Department of Commerce (“Commerce”) and the Authority, together with the Housing Trust Fund (HTF) General Terms and Conditions attached thereto;
- Promissory Note by the Authority payable to Commerce;
- Assignment, Assumption and Consent Agreement among the Authority, the Partnership and Commerce;
- Leasehold Deed of Trust by the Partnership and the Authority in favor of Commerce;
- Low Income Housing Covenant Agreement by the Partnership;

“Real Estate Documents”

- Lease Agreement between the Authority and the Partnership;
- Memorandum of Lease Agreement between the Authority and the Partnership;
- Assignment of Contracts and Intangibles between the Authority and the Partnership;
- Priority and Subordination Agreement among the Authority, the Partnership, the Bank, Commerce, the Commission, and TCRA;

“CDBG Documents”

- Subrecipient Agreement between the City of Tacoma or TCRA and the Authority relating to Community Development Block Grant funds;
- Loan Agreement between the City of Tacoma or TCRA and the Authority;
- Promissory Note by the Authority payable to the City of Tacoma or TCRA;
- Leasehold Deed of Trust by the Partnership in favor of the City of Tacoma or TCRA;Affordability Covenant by the Partnership;

“UDAG Documents”

- Loan Agreement between the TCRA or the City of Tacoma and the Partnership;
- Promissory Note by the Partnership payable to TCRA or the City of Tacoma;
- Leasehold Deed of Trust by the Partnership in favor of TCRA or the City of Tacoma;
- Affordability Covenant by the Partnership.

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 copy of Resolution 2019-05-22(4) (the “Resolution”) is a full, 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 May 22, 2019, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 902 South L Street, Tacoma, Washington 98405 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. That such meeting was duly convened and held in all respects in accordance with law; 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 May, 2019.

Michael Mirra, Secretary and Executive Director of
the Authority

Commissioner Rumbaugh motioned to approve the resolution. Vice Chair Young seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.5 THA BOC Resolution 2019-05-22 (5)
(1800 Hillside Terrace Bonds)**

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the issuance of revenue bonds in an aggregate principal amount of not to exceed \$16,000,000, the proceeds of which will be used to make a loan to Court F LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, to provide part of the funds with which to construct an approximately 64-unit apartment complex to provide housing for low income persons in the City of Tacoma, Washington; determining the forms and terms of the bonds; authorizing the execution and delivery of a loan agreement providing for repayment of the loan, a regulatory agreement governing the use of the facility, and other bond and loan documents; providing for the sale and delivery of the bonds to Heritage Bank; authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution; and determining related matters.

WHEREAS, The Housing Authority of the City of Tacoma (the "Authority") seeks to encourage the provision of housing for low-income persons residing in or near the City of Tacoma, Washington (the "City"); and

WHEREAS, RCW 35.82.070(2) provides that a housing authority may acquire and provide for the construction, reconstruction, improvement, alteration or repair of housing projects; and

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"; and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, "lease or rent any . . . lands, buildings, structures or facilities embraced in any housing project and . . . establish and revise the rents or charges therefor" and "sell, lease, exchange, transfer. . . or dispose of any real or personal property or any interest therein . . ."; and

WHEREAS, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the . . . acquisition, construction, . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing for persons of low income"; and

WHEREAS, RCW 35.82.070(1) permits a housing authority to "make and execute contracts and other instruments . . . necessary or convenient to the exercise of the powers of the authority"; 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”; and\

WHEREAS, RCW 35.82.020(11) and RCW 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, Court F LLLP (the “Partnership”), a Washington limited liability limited partnership of which the Authority is the sole general partner, has applied to the Authority for financial assistance in the principal amount of up to \$16,000,000 for the purpose of providing part of the funds with which to construct a 64-unit multifamily housing facility on certain real property to be leased from the Authority located in the 1800 block of Hillside Terrace, in Tacoma, Washington, to provide housing for low-income persons within the City of Tacoma, Washington (the “Project”); and

WHEREAS, the Partnership has requested that the Authority issue and sell its revenue bonds for the purpose of assisting the Partnership in financing the Project; and

WHEREAS, the Project will be used by the Partnership to provide housing for low-income persons in the City of Tacoma, Washington, and no more than an insubstantial portion of the proceeds of the Tax-Exempt Bond (defined below) will be used in connection with the financing or refinancing of any portion of the Project to be used for any other purpose; and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue bonds in an aggregate principal amount of not to exceed \$16,000,000, the proceeds of which will be used to make a loan to the Partnership for the purposes described herein; and

WHEREAS, it is anticipated that Heritage Bank will offer to purchase the Bonds on the terms set forth herein; now, therefore, be it

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

1. **Definitions.** As used in this resolution, the following words have the following meanings:
“Assignment of Architect’s Agreement” means the Assignment of Architect’s Agreement and Plans and Specifications, with Architect’s Consent to be executed by the Partnership, relating to assignment to the Bank of certain of the Partnership’s interests in the architect’s agreement and plans and specifications with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Construction Contract, with Contractor’s Consent” means the Assignment of Construction Contract to be executed by the Partnership, relating to assignment to the Bank of certain of the Partnership’s interests in the construction contracts with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Loan Documents” means the Assignment of Loan Documents to be executed by the Authority and acknowledged by the Partnership, relating to assignment to the Bank of the Authority’s rights under certain of the Loan Documents, including any supplements or amendments thereto made in conformity therewith. **“Authority”** means the Housing Authority of the City of Tacoma, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

“Authorized Officers” means the Chair of the Board, the Executive Director of the Authority, and their respective designees.

“Bank” means Heritage Bank, as Registered Owner of the Bonds, and any subsequent Registered Owner thereof.

“Bank Credit Agreement” means the Credit Agreement between the Authority and the Partnership, and assigned by the Authority to the Bank, setting forth certain covenants and conditions relating to the Loan, and including any supplements or amendments thereto made in conformity therewith.

“Board” means the Board of Commissioners of the Authority.

“Bonds” means, together, the Tax-Exempt Bond and the Taxable Bond.

“Bond Fund” means the Housing Authority of the City of Tacoma Revenue Bond Fund, 2019 (1800 Hillside Terrace).

“Bond Loan Agreement” means the Loan Agreement between the Authority and the Borrower providing for, evidencing and securing the obligation of the Borrower to repay the Loan, including any supplements or amendments thereto made in conformity therewith.

“Bond Registrar” means the Executive Director of the Authority.

“Code” means the Internal Revenue Code of 1986, as amended.

“Construction Loan Agreement” means the Construction Loan Agreement between the Authority and the Partnership, and assigned by the Authority to the Bank, setting forth certain covenants and conditions relating to the Loan, and including any supplements or amendments thereto made in conformity therewith.

“Deed of Trust” means the Leasehold Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases and Rents under which the Partnership will be grantor and the Authority will be the initial beneficiary, encumbering the Partnership’s leasehold interest in the real property, improvements and personal property constituting the Project, including any supplements or amendments thereto made in conformity herewith and therewith, which will be assigned by the Authority to the Bank.

“Draws” means incremental draws on the Bonds.

“Environmental Indemnity Agreement” means the Certificate and Indemnity Agreement Regarding Hazardous Substances to be executed by the Partnership and the Authority in favor of the Bank relating to environmental claims with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“General Revenues” means the rent, fees and other revenues of the Authority from any source, except those revenues which are now or in the future prohibited from being used for the purpose of paying the Authority’s obligations under the Guaranty or the Environmental Indemnity Agreement under the provisions of any law, regulation, contract or covenant, resolution or deed of trust (including restrictions relating to funds available to the Authority under the U.S. Housing Act of 1937).

“Guaranty” means the Guaranty Agreement executed by the Authority guaranteeing the Partnership’s obligations with respect to the Loan.

“Loan” means the loans from the Authority to the Partnership of the proceeds of Draws on the Bonds.

“Loan Documents” means, collectively, the Bond Loan Agreement, the Assignment of Architect’s Agreement, the Assignment of Construction Contract, the Assignment of Loan Documents, the Construction Loan Agreement, the Bank Credit Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Notes, the Subordination Agreement, any related UCC Financing Statements and any other documents relating to the Loan to be executed by the Partnership.

“Notes” means the promissory notes evidencing the Loan.

“Partnership” means Court F LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner.

“Project” means, depending on the context (1) the construction of a 64-unit multifamily housing facility located on real property to be legally described in Exhibit A to the Deed of Trust, or (2) the multifamily housing facility so constructed.

“Proposal Letter” means the letter dated February 12, 2019, prepared by the Bank setting forth certain of the terms under which the Bank may purchase the Bonds, as it may be amended and supplemented, and any commitment letter issued pursuant or supplemental thereto.

“Registered Owner” means the Bank, as registered owner of the Bonds registered as such on the registration books maintained by the Bond Registrar.

“Regulatory Agreement” means the Regulatory Agreement to be executed by the Partnership for the benefit of the Authority governing the use of the Project, including any supplements or amendments thereto made in conformity therewith.

“Subordination Agreement” means, collectively, recording, priority or subordination agreements by and among the Authority, the Partnership and certain other parties, providing for the order of priority of various liens and encumbrances on the Project.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement to be executed by the Partnership and the Authority in connection with the Tax-Exempt Bond, including any supplements or amendments thereto made in conformity therewith.

“Taxable Bond” means the Revenue Bond, 2019 (Taxable) (1800 Hillside Terrace), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Tax-Exempt Bond” means the Revenue Bond, 2019 (Tax-Exempt) (1800 Hillside Terrace), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Bond Loan Agreement.

2. Authorization of Bonds and Application of Proceeds. For the purpose of providing financing for a portion of the costs of the Project, the Authority shall issue and sell the Bonds in an aggregate principal amount not to exceed \$16,000,000. Such Bond financing is declared and determined to be important for the feasibility of the Project. All proceeds from Draws on the Bonds shall be lent to the Partnership for those purposes. The Board finds that it is in the best interest of the Authority to issue the Bonds for the purposes set forth in this resolution.
3. Description of Bonds. The Bonds shall be designated the Revenue Bond, 2019 (Tax-Exempt) (1800 Hillside Terrace) (the “Tax-Exempt Bond”) and the Revenue Bond, 2019 (Taxable) (1800 Hillside Terrace) (the “Taxable Bond”), of the Authority; shall be dated their date of delivery of the Bank; and shall be numbered R-1. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Bonds. The Bonds shall bear interest payable on such dates and at such rates (which may include variable rates based on LIBOR and/or the prime rate and/or a fixed rate or rates), shall mature at such times and in such amounts, shall have such prepayment or redemption provisions, and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Bond and the Loan Documents. The authentication of the by the Bond Registrar and the execution of the Loan Documents by the Executive Director shall be conclusive evidence of approval by the Authority of the terms set forth therein.
4. Draws on the Bonds. The Board authorizes the Authorized Officers, and each of them acting alone, as authorized signers for the Authority, in its capacity as general partner of the Partnership, or their respective designees, to make Draws on the Bonds in such amounts and at such times as he or she may determine, those Draws to be made in accordance with the terms and provisions set forth herein, in the Bonds and in the Loan Documents. Draws shall be recorded in such form as the Partnership and the Bank may agree. Draws on the Taxable Bond shall be limited to an aggregate principal amount of not to exceed \$10,900,000. Draws on the Tax-Exempt Bond shall be limited to an aggregate principal amount of not to exceed \$5,100,000. Total Draws on the Bonds shall be limited to an aggregate principal amount of not to exceed \$16,000,000. In the event that the Authority determines

that that it is the best interest of the Authority or the Partnership to convert one or both of the Bonds into fully funded obligations, subject to the provisions of the Credit Loan Agreement and the Construction Loan Agreement, the Authority is authorized to draw all or a portion of the authorized principal amount of the Bonds that have not been drawn to date (the "Remaining Authorized Amount") and to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as general partner of the Partnership, in connection therewith (including, without limitation, execution of agreements relating to the deposit and investment of such Remaining Authorized Amount prior to application to pay costs of the Project). Bond Register; Registration and Transfer of Bonds. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained for the Bonds by the Bond Registrar (the "Bond Registers"). The Executive Director shall serve as Bond Registrar for the Bonds. The Bond Registers shall contain the names and mailing addresses of the Registered Owners of the Bonds. The Bond Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Bonds in accordance with the provisions of the Bonds and this resolution, to serve as the Authority's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this resolution.

The Bonds may not be assigned or transferred by the Bank without the prior written consent of the Authority (which consent shall not be unreasonably withheld), except that the Bank may assign or transfer the Bonds to a successor to the business and assets of the Bank or to an affiliate of the Bank upon completion and delivery to the Authority of the assignment form and certificate of transferee attached to the Bonds. Any transfer shall be without cost to the Registered Owner or transferee, except for governmental charges imposed on any such transfer or exchange. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the five days preceding any interest payment date, prepayment date or the applicable maturity date.

5. Payment of Bonds. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date, to the Registered Owner at the address appearing on the Bond Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on a Bond, the Registered Owner shall surrender that Bond at the principal office of the Bond Registrar in Tacoma Washington, for destruction or cancellation in accordance with law.
6. Bond Fund; Security for the Bonds. The Bond Fund is hereby established as a special fund of the Authority designated the Housing Authority of the City of Tacoma Revenue Bond Fund, 2019 (1800 Hillside Terrace). The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest and premium, if any, on the Bonds. The Authority irrevocably obligates and binds itself to set aside and pay into the Bond Fund from amounts owed or paid by the Partnership under the Loan Documents, amounts sufficient to pay principal of and

interest and premium, if any, on the Bonds when due, all of which amounts are pledged to the payment of the Bonds.

Payment of the Bonds shall be further secured by the Loan Documents and the Guaranty. Upon the issuance of the Bonds, the Authority shall cause the Loan Documents to be executed by the Partnership for the benefit of the Authority and/or the Bank, as applicable, and the Authority shall assign certain of its rights under the Loan Documents to the Bank, as security for the Authority's payment of the principal of and interest and premium, if any, on the Bonds, except that the Authority shall retain its rights under the Regulatory Agreement and certain rights under the Bond Loan Agreement as described therein. Upon that assignment, the Bank shall collect, on behalf of the Authority and the Bond Fund, the principal and interest payments received under the Loan Documents, and shall apply the same to the payment of the principal of and interest on the Bonds, and the Authority shall have no obligation to make principal and interest payments on the Bonds except from those payments collected by the Bank on the Authority's behalf.

The Registered Owner shall not charge the Authority, in its capacity as issuer of the Bonds, and, in such capacity, the Authority shall not be obligated to pay to the Registered Owner, any fees for or costs of collection and application of principal and interest payments under the Loan Documents or the Bonds, including any fees for or costs of collecting such payments or exercising the power of sale or any other power under the Deed of Trust, nor shall the Authority be obligated to pay for the application of such payments to the payment of principal of and interest and premium if any, on the Bonds. If the Bonds are assigned and transferred to a new Registered Owner, the security interest in the Loan Documents shall be assigned to such new Registered Owner, and such new Registered Owner shall have the rights to carry out all of the duties of the prior Registered Owner as set forth in this resolution, including the duty to collect principal, interest and premium, if any, payments under the Loan Documents and apply the same to the payment of principal of and interest and premium, if any, on the Bonds.

The Authority pledges its General Revenues to the payment of its obligations under the Guaranty and the Environmental Indemnification Agreement, subject to release in accordance with their respective terms. The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with obligations of the Authority under the Guaranty and the Environmental Indemnification Agreement. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made under the Guaranty and Environmental Indemnification Agreement with respect to that portion of the General Revenues so pledged.

The Bonds shall not be a debt of the City of Tacoma, the State of Washington or any political subdivision thereof, and the Bonds shall so state on their face. Neither the City of Tacoma, the State of Washington nor any political subdivision thereof (except the Authority from the sources described herein) shall be liable for payment of the Bonds nor in any event shall principal of and interest on the Bonds be payable

out of any funds of the Authority other than the Bond Fund. The Authority has no taxing power.

Neither the Authority (except to the extent of the pledge of its General Revenues to the payment of its obligations under the Guaranty and the Environmental Indemnification Agreement) nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bonds.

7. Form and Execution of Bonds. The Bonds shall be in a form consistent with the provisions of this resolution and state law, shall bear the manual or facsimile signatures of the Chair of the Board and the Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof. A Bond shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution unless the Bond bears a Certificate of Authentication manually signed by the Bond Registrar stating "This Bond is the fully registered Housing Authority of the City of Tacoma Revenue Bond, 2019 (Taxable)/(Tax-Exempt) (1800 Hillside Terrace) described in the Bond Resolution." A minor deviation in the language of such certificate shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on a Bond ceases to be an officer of the Authority authorized to sign bonds before the Bond bearing his or her facsimile signature is authenticated or delivered by the Bond Registrar or issued by the Authority, the Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign bonds. The Bonds also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Bonds, is an officer of the Authority authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

8. Lost, Stolen or Destroyed Bond. In case a Bond shall be lost, stolen or destroyed after delivery to the Registered Owner, the Bond Registrar may execute and deliver a new Bond of like date and tenor to the Registered Owner upon the Registered Owner paying the expenses and charges of the Authority and upon filing with the Bond Registrar evidence, satisfactory to the Bond Registrar that such Bond was actually lost, stolen or destroyed and of the Registered Owner's ownership thereof, and upon furnishing the Authority with indemnity satisfactory to the Authority.
9. Preservation of Tax Exemption for Interest on Tax-Exempt Bond. Subject to the next succeeding paragraph, the Authority covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Bond or other funds of the Authority treated as proceeds of the Tax-Exempt Bond at any time during the term of the Tax-Exempt Bond that would cause interest on the Tax-Exempt Bond to be

included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bond, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Tax-Exempt Bond, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Tax-Bond from being included in gross income for federal income tax purposes (but only from amounts received by the Authority from the Partnership as payments for those purposes).

The Bond Loan Agreement shall require the Partnership to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the Bond Loan Agreement, in so complying.

10. Approval of Sale of the Bonds to the Bank. It is anticipated that the Bank will offer to purchase the Bonds under the terms and conditions contained in this resolution and in the Proposal Letter. The Board finds that such offer is in the best interest of the Authority, and therefore approves the offer to purchase the Bonds under the terms and conditions in this resolution and the Proposal Letter. The Bonds will be delivered to the Bank with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Bonds.
11. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Regulatory Agreement, the Guaranty, the Subordination Agreement, Environmental Indemnity Agreement, the Tax Certificate, and the other Loan Documents. The Board authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bonds, the Guaranty, the Subordination Agreements, the Environmental Indemnity Agreement, the Tax Certificate and Agreement and the other Loan Documents to which it is a party, and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bonds. The Board authorizes and directs the Executive Director of the Authority to execute on behalf of the Authority and to deliver to the Bank, the Environmental Indemnity Agreement, the Guaranty and the other Loan Documents to which the Authority is a party, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bonds or required by the Bank as a condition to purchasing the Bonds.
12. Acting Officers Authorized. Any action authorized or directed to be taken by the Chair of the Board or the Executive Director of the Authority may, in his or her absence, be taken by the duly authorized acting Chair of the Board or the Deputy Executive Director of the Authority, respectively.

13. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.
14. 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.
15. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or the Bonds.
16. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

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 copy of Resolution 2019-05-22(5) (the "Resolution") is a full, 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 May 22, 2019, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 902 South L Street, Tacoma, Washington 98405 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. That such meeting was duly convened and held in all respects in accordance with law; 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 May, 2019.

Michael Mirra, Secretary and Executive Director of
the Authority

Commissioner Rumbaugh motioned to approve the resolution. Vice Chair Young seconded the motion.

Upon roll call, the vote was as follows:

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9.6 RESOLUTION 2019-05-22 (6)
(1800 Hillside Terrace Apartments - Authorization to Establish a Not-to-Exceed Guaranteed Maximum Price and further negotiate a contract for General Contractor/Construction Manager Services)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, A resolution 2018-09-26 (7) authorized THA's Executive Director to negotiate and execute the contract for the construction Manager/General Contractor for the 1800 Hillside Terrace apartments, and

WHEREAS, The resolution authorized THA's Executive Director to negotiate and execute the preconstruction service, construction management and general contractor services, and

WHEREAS, THA developed a budget of \$18,500,000 for the construction of the project. This amount includes construction, owner contingency and applicable sales tax; and

WHEREAS, The project will be funded through a mix of financing strategies including Moving to Work (MTW) funds, equity contributions, and permanent loans; now, therefore, be it

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

THA's Executive Director is authorized to establish a not-to-exceed Guaranteed Maximum price and further negotiate and, if those negotiations are successful, to execute a contract with Marpac Construction for its services as a General Contractor/Construction Manager for the 1800 Hillside Terrace apartments with a Guaranteed Maximum Price not-to-exceed \$18,500,000.

Vice Chair Young motioned to approve the resolution. Commissioner Rumbaugh seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.7 RESOLUTION 2019-05-22 (7)
(1800 Hillside Terrace – Project Based Section 8 Vouchers)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, THA has been awarded 9% Tax Credits for the redevelopment of 1800 Hillside Terrace with 64 affordable apartments; and

WHEREAS, 1800 Hillside Terrace will set aside 14 apartments for persons with disabilities and another 14 units for persons experiencing homelessness; and

WHEREAS, Subsidizing rents will provide marketing flexibility and support the financial performance of the project; and

WHEREAS, THA is seeking to subsidize sixty-four (64) units with Project Based Section 8 Vouchers and contract these vouchers to 1800 Court F LLLP; and

WHEREAS, Through THA's Moving-to-Work (MTW) flexibilities, 1800 Court F LLLP is not required to compete for vouchers; and

WHEREAS, The effective date of the contracts will be up to the discretion of the Executive Director; and

WHEREAS, The contract(s) shall be negotiated with an investor and shall be in effect for up to fifteen years (15); now, therefore, be it

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

Execute an Agreement to Enter into a Housing Assistance Payment (AHAP) and Housing Assistance Payment (HAP) contract with 1800 Court F LLLP to subsidize sixty-four (64) rental units.

Vice Chair Young motioned to approve the resolution. Commissioner Smith seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9.8 *This resolution was pulled.*

**9.9 **THA BOC Resolution 2019-05-22 (9)
(Arlington Drive Youth Apartments)****

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the lease of Authority property to Arlington Youth Campus LLLP, authorizing one or more loans to Arlington Youth Campus LLLP, approving the execution and delivery of documents relating to the Arlington Drive Youth Apartments development project, and determining related matters.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RENTON as follows:

Section 14. Recitals and Findings. The Board of Commissioners (the "Board") of the Housing Authority of the City of Tacoma (the "Authority") finds and determines that:

(a) Statutory Authorization. The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) "prepare, carry out, acquire, lease and operate housing projects; to provide for the construction,

reconstruction, improvement, alteration or repair of any housing project or any part thereof" (RCW 35.82.070(2)); (ii) "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project" (RCW 35.82.070(5)); (iii) "make and execute contracts and other instruments, including but not limited to partnership agreements" (RCW 35.82.070(1)); (iv) "delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper" (RCW 35.82.040); (v) "make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income" (RCW 35.82.070(18)); and (vi) issue bonds, notes or other obligations for any of its corporate purposes (RCW 35.82.020(11) and 35.82.130). The phrase "housing project" is defined by RCW 35.82.020 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."

(b) The Partnership. Pursuant to the authority provided by RCW 35.82.070(1), the Authority caused Arlington Youth Campus LLLP, a Washington limited liability limited partnership (the "Partnership") to be formed by filing with the Washington Secretary of State a certificate of limited partnership on June 5, 2018, and executing a Limited Partnership Agreement with Tacoma Housing Development Group ("THDG"). THDG will withdraw from the Partnership and BCP/Arlington Youth, LLC, a Delaware limited liability company and BCCC, Inc., a Massachusetts Corporation (or one or more of its affiliates) (collectively, the "Investor") is willing to be a limited partner in the Partnership and to make capital contributions to the Partnership. In connection with the admission of the Investor as a limited partner of the Partnership, it is necessary to amend and restate the Partnership's original partnership agreement, and to execute and deliver certain other agreements, certificates and documents relating to the Partnership and the Project (as defined below).

(c) The Project. The Authority owns the real property located at 3801 East Portland Avenue, Tacoma, Washington (the "Property"). The Partnership has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to finance, acquire (by lease) and construct a 58-unit affordable rental housing project to be located on the Property, to provide housing for low-income persons within the Authority's service area and known or to be known as the Arlington Drive Youth Apartments (the "Project"). In connection with the financing for the Project, the Authority will lease the Project to the Partnership and the Partnership will provide the Authority with a right of first refusal to acquire the Partnership's interest in the Project at the end of the 15-year low-income housing tax credit "compliance period."

(d) Sources of Financing. The total cost of the Project is anticipated to be approximately \$24,100,000 which will be financed by the Partnership with numerous sources of funds, including one or more loans in an aggregate amount not to exceed \$12,200,000 of proceeds of tax-exempt and taxable bonds issued by the Authority, one or more additional loans from the Authority in an aggregate amount not to exceed \$7,200,000 (a portion of which may be derived from proceeds of one

or more Housing Trust Fund loans or grants from the Washington State Department of Commerce ("Commerce") in the anticipated aggregate amount of \$5,090,000), financial support from the Federal Home Loan Bank of Des Moines in the amount of approximately \$750,000, and capital contributions in an anticipated aggregate amount of approximately \$13,635,693 from the Investor.

(e) Additional Findings. The Board finds and determines that the Property likely would not be developed and maintained as housing for persons of low income unless the Partnership was formed and the Investor committed to make capital contributions to the Partnership. The Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as general partner of the Partnership and developer of the Project, and to obtain the various funding sources on behalf of the Project described above, and to make such funds available to the Partnership. The financial assistance to be provided by the Authority pursuant to this resolution is necessary to support the poor and infirm. The Board further finds that the loans to be made by the Authority authorized by this resolution are important for the feasibility of the Project and are necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law.

Section 15. Approval of Transaction Documents. The Authority is authorized to continue as a general partner of the Partnership and to provide development services to the Partnership. The Authority's Executive Director, the Chair of the Board and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized and directed to execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf, or as the general partner of the Partnership) (i) those documents listed in Exhibit A (collectively, the "Transaction Documents") in such forms as any Authorized Officer may approve (with the understanding that an Authorized Officer's signature on a Transaction Document shall be construed as the Authority's approval of such Transaction Document); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Transaction Documents. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or in its capacities as the general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Transaction Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). The Authorized Officers (or their designee), and each of them acting alone, are authorized and directed, without further Board approval, to take such actions on behalf of the Authority as are required to be taken by the general partner of the Partnership.

Section 16. Approval of Housing Authority Loans. The Authority is authorized to lend to the Partnership up to \$7,200,000 of available Authority funds, all pursuant to the terms of the Transaction Documents listed in Exhibit A under the heading "Housing Authority Loan Documents" (collectively, the "Housing Authority Loan Documents"). The Authorized Officers, and each of them acting alone, are

authorized on behalf of the Authority to determine the source (or sources) of funds for each loan contemplated under the Housing Authority Loan Documents. Each loan is intended to be in addition to the loan of Authority bond proceeds to the Partnership authorized by a separate resolution (the "Bond Resolution"). At any Authorized Officer's discretion, all or any portion of the amount designated in this Section as a loan may be paid to the Partnership as a capital contribution in lieu of being lent to the Partnership.

Section 17. Authorization to Lease Property and Approval of Real Estate Encumbrances. In furtherance of its statutory authority to provide decent, safe and sanitary living accommodations for persons of low income, the Authority is authorized to: (i) lease to the Partnership, for a term not exceeding 100 years, the Property, all improvements located on such Property, and the Authority's interest in any personal property located on such Property and in such improvements; and (ii) encumber the Authority's interests in the Property (including its fee interest therein) pursuant to covenant agreements, regulatory agreements, extended use agreements, and other encumbrances that are Transaction Documents.

Section 18. Tax Credit Documents. The Authorized Officers (and each of them acting alone) are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing tax credits in connection with the Project including, without limitation, the filing of one or more applications with the Washington State Housing Finance Commission (the "Commission"); and the execution of all necessary and related documents, including without limitation regulatory agreements, declarations and restrictive covenants; the making of determinations required by Section 42(m)(2)(D) of the Internal Revenue Code of 1986, as amended; and the making of certifications with respect to the Project and the Partnership of the type described in Treasury Regulation § 1.42-8(b)(4)(i).

Section 19. Assignments. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute and deliver one or more instruments (i) assigning to the Partnership the Authority's rights, if any, under the construction contracts, the architects' contracts, the geotechnical consultant contracts, and other development contracts, as such rights pertain to the construction of improvements on the Property, and (ii) assigning to lenders and others the Partnership's interests in such contracts.

Section 20. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be

necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein and/or further the acquisition, construction, development, financing, construction, and leasing of the Project; and (iii) cause the Authority and/or the Partnership to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, company management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.

Section 21. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority (whether acting on its own behalf or in its capacity as general partner of the Partnership) to fulfill the Authority's duties and obligations, and cause the Partnership to fulfill the Partnership's duties and obligations under the various Transaction Documents.

Section 22. Increase in Authority Participation. The Authorized Officers, and each of them acting alone, are authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, and to increase the principal amount of any loan by or capital contribution from the Authority by an amount up to \$500,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution and the Bond Resolution for all loans to the Partnership.

Section 23. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director of the Authority may, in such person's absence, be taken by the Vice Chair of the Board or the Deputy Executive Director of the Authority, respectively.

Section 24. Changes to Titles or Parties. While the titles of and parties to the various Transaction Documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 25. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution (including, without limitation, the formation of the Partnership and the selection of the Investor) are ratified and confirmed.

Section 26. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

EXHIBIT A TRANSACTION DOCUMENTS

"Partnership Documents"

- First Amended and Restated Agreement of Limited Liability Limited Partnership among the Authority, THDG, and the Investor;

- Development Agreement between the Partnership and the Authority;
- Purchase Option among the Partnership, the Authority and the Investor;
- Right of First Refusal Agreement among the Partnership, the Authority and the Investor;
- Tax certification of the Authority;
- Payment Certificates by the Authority;
- Reimbursement and Assignment Agreement between the Partnership and the Authority;
- Regulatory Agreement (Extended Use Agreement) among the Commission, the Authority and the Partnership;
- Property Management Agreement between the Authority and the Partnership;

“Bond Loan Documents”

- Loan Agreement between the Authority and the Partnership;
- Regulatory Agreement between the Authority and the Partnership;
- Credit Agreement between the Partnership and the Authority;
- Construction Loan Agreement between the Authority and the Partnership
- Promissory Note (Tax-Exempt Loan) from the Partnership payable to the Authority (and to be endorsed by the Authority to the Heritage Bank (the “Bank”));
- Promissory Note (Taxable Loan) from the Partnership payable to the Authority (and to be endorsed by the Authority to the Bank);
- Leasehold Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases and Rents from the Partnership in favor of the Authority, and assigned by the Authority to the Bank;
- Assignment of Loan and Security Documents from the Authority to the Bank;
- Assignment of Construction Contract, with Contractor’s Consent, in favor of the Bank;
- Assignment or Architect’s Agreement and Plans and Specifications, with Architect’s Consent, in favor of the Bank;
- Certificate and Indemnity Agreement Regarding Hazardous Substances made by the Partnership and the Borrower for the benefit of the Bank;
- Guaranty Agreement by the Authority in favor of the Bank; TIN and Foreign Status Certification by the Partnership;
- Federal Tax Exemption Certificate and Agreement between the Authority and the Partnership;

“Housing Authority Loan Documents”

- Master Loan Agreement between the Partnership and the Authority;
- One or more Promissory Note(s) from the Partnership in connection with loan(s) for costs relating to acquisition and/or construction of the Property and/or the Project;

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- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Master Loan – Arlington Youth Campus) from the Partnership in favor of the Authority;
- Hazardous Substances Warranty/Indemnity Agreement between the Partnership and the Authority;

“Commerce Loan Documents”

- One or more Specific Terms and Conditions, Housing Trust Fund Contract between the Washington State Department of Commerce (“Commerce”) and the Authority, together with the Housing Trust Fund (HTF) General Terms and Conditions attached thereto;
- One or more Promissory Note by the Authority payable to Commerce;
- One or more Leasehold Deed of Trust by the Partnership and the Authority in favor of Commerce;
- One or more Low Income Housing Covenant Agreement by the Partnership;

“Real Estate Documents”

- Lease Agreement between the Authority and the Partnership;
- Memorandum of Lease Agreement between the Authority and the Partnership;
- Assignment of Contracts and Intangibles between the Authority and the Partnership;
- Priority and Subordination Agreement among the Authority, the Partnership, the Bank, Commerce, the Federal Home Loan Bank of Des Moines, and the Commission;

“FHLB Documents”

- Affordable Housing Program for rental Project (Direct Subsidy) among the Authority, the Partnership, and the Federal Home Loan Bank of Des Moines;
- Agreement for Covenants and Restrictions made by the Partnership and the Authority.

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 copy of Resolution 2019-05-22(9) (the “Resolution”) is a full, 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 May 22, 2019, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 902 South L Street, Tacoma, Washington 98405 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. That such meeting was duly convened and held in all respects in accordance with law; 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 May, 2019.

Michael Mirra, Secretary and Executive Director of
the Authority

Commissioner Rumbaugh motioned to approve the resolution. Commissioner Smith seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.10 THA BOC Resolution 2019-05-22 (10)
(Arlington Drive Youth Apartments Bonds)**

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the issuance of revenue bonds in an aggregate principal amount of not to exceed \$12,200,000, the proceeds of which will be used to make a loan to Arlington Youth Campus LLLP, a

Washington limited liability limited partnership of which the Authority is the sole general partner, to provide part of the funds with which to construct an approximately 58-unit apartment complex to provide housing for low income persons in the City of Tacoma, Washington; determining the forms and terms of the bonds; authorizing the execution and delivery of a loan agreement providing for repayment of the loan, a regulatory agreement governing the use of the facility, and other bond and loan documents; providing for the sale and delivery of the bonds to Heritage Bank; authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution; and determining related matters.

WHEREAS, The Housing Authority of the City of Tacoma (the "Authority") seeks to encourage the provision of housing for low-income persons residing in or near the City of Tacoma, Washington (the "City"); and

WHEREAS, RCW 35.82.070(2) provides that a housing authority may acquire and provide for the construction, reconstruction, improvement, alteration or repair of housing projects; and

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"; and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, "lease or rent any . . . lands, buildings, structures or facilities embraced in any housing project and . . . establish and revise the rents or charges therefor" and "sell, lease, exchange, transfer. . . or dispose of any real or personal property or any interest therein . . ."; and

WHEREAS, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the . . . acquisition, construction, . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing for persons of low income"; and

WHEREAS, RCW 35.82.070(1) permits a housing authority to "make and execute contracts and other instruments . . . necessary or convenient to the exercise of the powers of the authority"; 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"; and

WHEREAS, RCW 35.82.020(11) and RCW 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, Arlington Youth Campus LLLP (the "Partnership"), a Washington limited liability limited partnership of which the Authority is the sole general partner, has applied to the Authority for financial assistance in the principal amount of up to \$12,200,000 for the purpose of providing part of the funds with which to construct a 58-unit multifamily housing facility on certain real property to be leased from the Authority located at 3801 East Portland Avenue, in Tacoma, Washington, to provide housing for low-income persons within the City of Tacoma, Washington (the "Project"); and

WHEREAS, The Partnership has requested that the Authority issue and sell its revenue bonds for the purpose of assisting the Partnership in financing the Project; and

WHEREAS, The Project will be used by the Partnership to provide housing for low-income persons in the City of Tacoma, Washington, and no more than an insubstantial portion of the proceeds of the Tax-Exempt Bond (defined below) will be used in connection with the financing or refinancing of any portion of the Project to be used for any other purpose; and

WHEREAS, The Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue bonds in an aggregate principal amount of not to exceed \$12,200,000, the proceeds of which will be used to make a loan to the Partnership for the purposes described herein; and

WHEREAS, It is anticipated that Heritage Bank will offer to purchase the Bonds on the terms set forth herein; now, therefore, be it

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

1. **Definitions.** As used in this resolution, the following words have the following meanings:

"Assignment of Architect's Agreement" means the Assignment of Architect's Agreement and Plans and Specifications, with Architect's Consent to be executed by the Partnership, relating to assignment to the Bank of certain of the Partnership's interests in the architect's agreement and plans and specifications with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

"Assignment of Construction Contract, with Contractor's Consent" means the Assignment of Construction Contract to be executed by the Partnership, relating to assignment to the Bank of certain of the Partnership's interests in the construction contracts with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

"Assignment of Loan Documents" means the Assignment of Loan Documents to be executed by the Authority and acknowledged by the Partnership, relating to

assignment to the Bank of the Authority's rights under certain of the Loan Documents, including any supplements or amendments thereto made in conformity therewith.

"Authority" means the Housing Authority of the City of Tacoma, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

"Authorized Officers" means the Chair of the Board, the Executive Director of the Authority, and their respective designees.

"Bank" means Heritage Bank, as Registered Owner of the Bonds, and any subsequent Registered Owner thereof.

"Bank Credit Agreement" means the Credit Agreement between the Authority and the Partnership, and assigned by the Authority to the Bank, setting forth certain covenants and conditions relating to the Loan, and including any supplements or amendments thereto made in conformity therewith.

"Board" means the Board of Commissioners of the Authority.

"Bonds" means, together, the Tax-Exempt Bond and the Taxable Bond.

"Bond Fund" means the Housing Authority of the City of Tacoma Revenue Bond Fund, 2019 (Arlington Drive Apartments).

"Bond Registrar" means the Executive Director of the Authority.

"Bond Loan Agreement" means the Loan Agreement between the Authority and the Borrower providing for, evidencing and securing the obligation of the Borrower to repay the Loan, including any supplements or amendments thereto made in conformity therewith.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Loan Agreement" means the Construction Loan Agreement between the Authority and the Partnership, and assigned by the Authority to the Bank, setting forth certain covenants and conditions relating to the Loan, and including any supplements or amendments thereto made in conformity therewith.

"Deed of Trust" means the Leasehold Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases and Rents under which the Partnership will be grantor and the Authority will be the initial beneficiary, encumbering the Partnership's leasehold interest in the real property, improvements and personal property constituting the Project, including any supplements or amendments thereto made in conformity herewith and therewith, which will be assigned by the Authority to the Bank.

"Draws" means incremental draws on the Bonds.

"Environmental Indemnity Agreement" means the Certificate and Indemnity Agreement Regarding Hazardous Substances to be executed by the Partnership and the Authority in favor of the Bank relating to environmental claims with

respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“General Revenues” means the rent, fees and other revenues of the Authority from any source, except those revenues which are now or in the future prohibited from being used for the purpose of paying the Authority’s obligations under the Guaranty or the Environmental Indemnity Agreement under the provisions of any law, regulation, contract or covenant, resolution or deed of trust (including restrictions relating to funds available to the Authority under the U.S. Housing Act of 1937).

“Guaranty” means the Guaranty Agreement executed by the Authority guaranteeing the Partnership’s obligations with respect to the Loan.

“Loan” means the loans from the Authority to the Partnership of the proceeds of Draws on the Bonds.

“Loan Documents” means, collectively, the Bond Loan Agreement, the Assignment of Architect’s Agreement, the Assignment of Construction Contract, the Assignment of Loan Documents, the Construction Loan Agreement, the Bank Credit Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Notes, the Subordination Agreement, any related UCC Financing Statements and any other documents relating to the Loan to be executed by the Partnership.

“Notes” means the promissory notes evidencing the Loan.

“Partnership” means Arlington Youth Campus LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner.

“Project” means, depending on the context (1) the construction of a 58-unit multifamily housing facility located on real property to be legally described in Exhibit A to the Deed of Trust, or (2) the multifamily housing facility so constructed.

“Proposal Letter” means the letter dated March 15, 2019, prepared by the Bank setting forth certain of the terms under which the Bank may purchase the Bonds, as it may be amended and supplemented, and any commitment letter issued pursuant or supplemental thereto.

“Registered Owner” means the Bank, as registered owner of the Bonds registered as such on the registration books maintained by the Bond Registrar.

“Regulatory Agreement” means the Regulatory Agreement to be executed by the Partnership for the benefit of the Authority governing the use of the Project, including any supplements or amendments thereto made in conformity therewith.

“Subordination Agreement” means, collectively, recording, priority or subordination agreements by and among the Authority, the Partnership and certain other parties, providing for the order of priority of various liens and encumbrances on the Project.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement to be executed by the Partnership and the Authority in connection with the Tax-Exempt Bond, including any supplements or amendments thereto made in conformity therewith.

“Taxable Bond” means the Revenue Bond, 2019 (Taxable) (Arlington Drive Apartments), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Tax-Exempt Bond” means the Revenue Bond, 2019 (Tax-Exempt) (Arlington Drive Apartments), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Bond Loan Agreement.

2. Authorization of Bonds and Application of Proceeds. For the purpose of providing financing for a portion of the costs of the Project, the Authority shall issue and sell the Bonds in an aggregate principal amount not to exceed \$12,200,000. Such Bond financing is declared and determined to be important for the feasibility of the Project. All proceeds from Draws on the Bonds shall be lent to the Partnership for those purposes. The Board finds that it is in the best interest of the Authority to issue the Bonds for the purposes set forth in this resolution.
3. Description of Bonds. The Bonds shall be designated the Revenue Bond, 2019 (Tax-Exempt) (Arlington Drive Apartments) (the “Tax-Exempt Bond”) and the Revenue Bond, 2019 (Taxable) (Arlington Drive Apartments) (the “Taxable Bond”), of the Authority; shall be dated their date of delivery of the Bank; and shall be numbered R-1. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Bonds. The Bonds shall bear interest payable on such dates and at such rates (which may include variable rates based on LIBOR and/or the prime rate and/or a fixed rate or rates), shall mature at such times and in such amounts, shall have such prepayment or redemption provisions, and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Bond and the Loan Documents. The authentication of the by the Bond Registrar and the execution of the Loan Documents by the Executive Director shall be conclusive evidence of approval by the Authority of the terms set forth therein.
4. Draws on the Bonds. The Board authorizes the Authorized Officers, and each of them acting alone, as authorized signers for the Authority, in its capacity as general partner of the Partnership, or their respective designees, to make Draws on the Bonds in such amounts and at such times as he or she may determine, those Draws to be made in accordance with the terms and provisions set forth herein, in the Bonds and in the Loan Documents. Draws shall be recorded in such form as the Partnership and the Bank may agree. Draws on the Taxable Bond shall be limited to an aggregate principal amount of not to exceed \$9,200,000. Draws on the Tax-Exempt Bond shall be limited to an aggregate principal amount of not to exceed \$3,000,000. Total Draws on the Bonds shall be limited to an aggregate principal amount of not to exceed \$12,200,000. In the event that the Authority determines that that it is the best interest of the Authority or the Partnership to convert one or both of the Bonds into fully funded obligations, subject to the provisions of the Credit Loan Agreement and the Construction Loan Agreement, the Authority is authorized to draw all or a portion of the authorized principal amount of the Bonds

that have not been drawn to date (the "Remaining Authorized Amount") and to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as general partner of the Partnership, in connection therewith (including, without limitation, execution of agreements relating to the deposit and investment of such Remaining Authorized Amount prior to application to pay costs of the Project). Bond Register; Registration and Transfer of Bonds. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained for the Bonds by the Bond Registrar (the "Bond Registers"). The Executive Director shall serve as Bond Registrar for the Bonds. The Bond Registers shall contain the names and mailing addresses of the Registered Owners of the Bonds. The Bond Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Bonds in accordance with the provisions of the Bonds and this resolution, to serve as the Authority's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this resolution.

The Bonds may not be assigned or transferred by the Bank without the prior written consent of the Authority (which consent shall not be unreasonably withheld), except that the Bank may assign or transfer the Bonds to a successor to the business and assets of the Bank or to an affiliate of the Bank upon completion and delivery to the Authority of the assignment form and certificate of transferee attached to the Bonds. Any transfer shall be without cost to the Registered Owner or transferee, except for governmental charges imposed on any such transfer or exchange. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the five days preceding any interest payment date, prepayment date or the applicable maturity date.

5. Payment of Bonds. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date, to the Registered Owner at the address appearing on the Bond Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on a Bond, the Registered Owner shall surrender that Bond at the principal office of the Bond Registrar in Tacoma Washington, for destruction or cancellation in accordance with law.
6. Bond Fund; Security for the Bonds. The Bond Fund is hereby established as a special fund of the Authority designated the Housing Authority of the City of Tacoma Revenue Bond Fund, 2019 (Arlington Drive Apartments). The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest and premium, if any, on the Bonds. The Authority irrevocably obligates and binds itself to set aside and pay into the Bond Fund from amounts owed or paid by the Partnership under the Loan Documents, amounts sufficient to pay principal of and interest and premium, if any, on the Bonds when due, all of which amounts are pledged to the payment of the Bonds.

Payment of the Bonds shall be further secured by the Loan Documents and the Guaranty. Upon the issuance of the Bonds, the Authority shall cause the Loan Documents to be executed by the Partnership for the benefit of the Authority and/or

the Bank, as applicable, and the Authority shall assign certain of its rights under the Loan Documents to the Bank, as security for the Authority's payment of the principal of and interest and premium, if any, on the Bonds, except that the Authority shall retain its rights under the Regulatory Agreement and certain rights under the Bond Loan Agreement as described therein. Upon that assignment, the Bank shall collect, on behalf of the Authority and the Bond Fund, the principal and interest payments received under the Loan Documents, and shall apply the same to the payment of the principal of and interest on the Bonds, and the Authority shall have no obligation to make principal and interest payments on the Bonds except from those payments collected by the Bank on the Authority's behalf.

The Registered Owner shall not charge the Authority, in its capacity as issuer of the Bonds, and, in such capacity, the Authority shall not be obligated to pay to the Registered Owner, any fees for or costs of collection and application of principal and interest payments under the Loan Documents or the Bonds, including any fees for or costs of collecting such payments or exercising the power of sale or any other power under the Deed of Trust, nor shall the Authority be obligated to pay for the application of such payments to the payment of principal of and interest and premium if any, on the Bonds. If the Bonds are assigned and transferred to a new Registered Owner, the security interest in the Loan Documents shall be assigned to such new Registered Owner, and such new Registered Owner shall have the rights to carry out all of the duties of the prior Registered Owner as set forth in this resolution, including the duty to collect principal, interest and premium, if any, payments under the Loan Documents and apply the same to the payment of principal of and interest and premium, if any, on the Bonds.

The Authority pledges its General Revenues to the payment of its obligations under the Guaranty and the Environmental Indemnification Agreement, subject to release in accordance with their respective terms. The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with obligations of the Authority under the Guaranty and the Environmental Indemnification Agreement. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made under the Guaranty and Environmental Indemnification Agreement with respect to that portion of the General Revenues so pledged.

The Bonds shall not be a debt of the City of Tacoma, the State of Washington or any political subdivision thereof, and the Bonds shall so state on their face. Neither the City of Tacoma, the State of Washington nor any political subdivision thereof (except the Authority from the sources described herein) shall be liable for payment of the Bonds nor in any event shall principal of and interest on the Bonds be payable out of any funds of the Authority other than the Bond Fund. The Authority has no taxing power.

Neither the Authority (except to the extent of the pledge of its General Revenues to the payment of its obligations under the Guaranty and the Environmental

Indemnification Agreement) nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bonds.

7. Form and Execution of Bonds. The Bonds shall be in a form consistent with the provisions of this resolution and state law, shall bear the manual or facsimile signatures of the Chair of the Board and the Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof. A Bond shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution unless the Bond bears a Certificate of Authentication manually signed by the Bond Registrar stating "This Bond is the fully registered Housing Authority of the City of Tacoma Revenue Bond, 2019 (Taxable)/(Tax-Exempt) (Arlington Drive Apartments) described in the Bond Resolution." A minor deviation in the language of such certificate shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on a Bond ceases to be an officer of the Authority authorized to sign bonds before the Bond bearing his or her facsimile signature is authenticated or delivered by the Bond Registrar or issued by the Authority, the Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign bonds. The Bonds also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Bonds, is an officer of the Authority authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

8. Lost, Stolen or Destroyed Bond. In case a Bond shall be lost, stolen or destroyed after delivery to the Registered Owner, the Bond Registrar may execute and deliver a new Bond of like date and tenor to the Registered Owner upon the Registered Owner paying the expenses and charges of the Authority and upon filing with the Bond Registrar evidence, satisfactory to the Bond Registrar that such Bond was actually lost, stolen or destroyed and of the Registered Owner's ownership thereof, and upon furnishing the Authority with indemnity satisfactory to the Authority.
9. Preservation of Tax Exemption for Interest on Tax-Exempt Bond. Subject to the next succeeding paragraph, the Authority covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Bond or other funds of the Authority treated as proceeds of the Tax-Exempt Bond at any time during the term of the Tax-Exempt Bond that would cause interest on the Tax-Exempt Bond to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bond, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Tax-Exempt Bond, including the calculation and payment of any penalties

that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Tax-Bond from being included in gross income for federal income tax purposes (but only from amounts received by the Authority from the Partnership as payments for those purposes).

The Bond Loan Agreement shall require the Partnership to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the Bond Loan Agreement, in so complying.

10. Approval of Sale of the Bonds to the Bank. It is anticipated that the Bank will offer to purchase the Bonds under the terms and conditions contained in this resolution and in the Proposal Letter. The Board finds that such offer is in the best interest of the Authority, and therefore approves the offer to purchase the Bonds under the terms and conditions in this resolution and the Proposal Letter. The Bonds will be delivered to the Bank with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Bonds.
11. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Regulatory Agreement, the Guaranty, the Subordination Agreement, Environmental Indemnity Agreement, the Tax Certificate, and the other Loan Documents. The Board authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bonds, the Guaranty, the Subordination Agreements, the Environmental Indemnity Agreement, the Tax Certificate and Agreement and the other Loan Documents to which it is a party, and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bonds. The Board authorizes and directs the Executive Director of the Authority to execute on behalf of the Authority and to deliver to the Bank, the Environmental Indemnity Agreement, the Guaranty and the other Loan Documents to which the Authority is a party, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bonds or required by the Bank as a condition to purchasing the Bonds.
12. Acting Officers Authorized. Any action authorized or directed to be taken by the Chair of the Board or the Executive Director of the Authority may, in his or her absence, be taken by the duly authorized acting Chair of the Board or the Deputy Executive Director of the Authority, respectively.
13. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

14. 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.
15. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or the Bonds.
16. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

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 copy of Resolution 2019-05-22(10) (the "Resolution") is a full, 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 May 22, 2019, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 902 South L Street, Tacoma, Washington 98405 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. That such meeting was duly convened and held in all respects in accordance with law; 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 May, 2019.

Michael Mirra, Secretary and Executive Director of
the Authority

Vice Chair Young motioned to approve the resolution. Commissioner Rumbaugh seconded the motion.

Upon roll call, the vote was as follows:

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.11 RESOLUTION 2019-05-22 (11)
(GENERAL CONTRACTOR/CONSTRUCTION MANAGER SERVICES
(GCCM)
FOR Arlington Drive Youth Campus Apartments)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, Resolution 2018-11-14(3) Authorized the Executive Director to negotiate and execute a contract for the predevelopment services for Arlington Drive Youth Campus Apartments and to negotiate a separate Construction Manager/General Contractor for Arlington Drive Youth Campus Apartments project; and

WHEREAS, The resolution authorized the Executive Director to negotiate and execute the preconstruction service; construction management and general contractor services; and

WHEREAS, The Authority has developed a budget of \$22,730,700.00 for this project. This includes pre-construction, construction, the owner's contingency, financing, developer fees, related development costs and applicable sales tax; and

WHEREAS, The project will be funded through a mix of financing strategies including THA Restricted Funds, State of Washington Legislative Funds, Affordable Housing Program funds, Equity contributions, and Permanent Loans; now, therefore, be it

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

Approve Resolution 2019-05-22 (11) authorizing THA's Executive Director to negotiate, and if those negotiations are successful, to execute a contract with Korsmo Construction for the CM/GC services for construction of the Arlington Youth Apartments with a Guaranteed Maximum Price (GMP) not-to-exceed

\$18,000,000. This includes \$15,400,000 in construction costs, plus an owner's contingency of \$962,748, and applicable sales tax. Total not-to-exceed \$18,000,000.

Commissioner Rumbaugh motioned to approve the resolution. Commissioner Smith seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: May, 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.12 RESOLUTION 2019-05-22 (12)
(Arlington Drive Youth Campus Apartments– Project Based Section 8
Vouchers)**

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, THA has been awarded 9% Tax Credits for the development of 58 units as part of the Arlington Drive Youth campus; and

WHEREAS, THA is seeking to subsidize fifty-eight (58) 8 with Project Based Section 8 Vouchers and contract these vouchers to Arlington Drive Youth Campus Apartments, LLLP; and

WHEREAS, Through THA's Moving-to-Work (MTW) flexibilities, Arlington Drive Youth Campus Apartments, LLLP is not required to compete for vouchers; and

WHEREAS, The effective date of the contracts will be up to the discretion of the Executive Director; and

WHEREAS, The contract(s) shall be negotiated with an investor and shall be in effect for up to fifteen years (15); now, therefore, be it

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

Execute an Agreement to Execute a Housing Assistance Payment (AHAP) and Housing Assistance Payment (HAP) contract with Arlington Drive Youth Campus Apartments to subsidize rent for 58 apartment units.

Vice Chair Young motioned to approve the resolution. Commissioner Smith seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.13 RESOLUTION 2019-05-22 (13)
(GENERAL CONTRACTOR/CONSTRUCTION MANAGER SERVICES
(GCCM)
FOR the Crisis Residential Center and Off-Site Improvements)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, Resolution 2018-11-14(3) Authorized the Executive Director to negotiate and execute a contract for the predevelopment services for Arlington Drive Youth Campus Apartments and to negotiate a separate Construction Manager/General Contractor for Arlington Drive Crisis Residential Center; and

WHEREAS, The resolution authorized the Executive Director to negotiate and execute the preconstruction service; construction management and general contractor services; and

WHEREAS, The Authority has developed a budget of \$3,130,230 for this project. This includes pre-construction, construction, the owner's contingency, financing, developer fees, related development costs, off-site improvements and applicable sales tax; and

WHEREAS, The project will be funded through a mix of financing including City of Tacoma Funds, Community Development Block Grant Dollars and Pierce County Funds; now, therefore, be it

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

Approve Resolution 2019-05-22 (13) authorizing THA's Executive Director to negotiate and, if those negotiations are successful, to execute a Construction Management, General Contractor Services for GMP not-to-exceed amount

\$2,300,000 with Korsmo Construction, Inc. for the construction of the Arlington Drive Crisis Residential Center.

Commissioner Rumbaugh motioned to approve the resolution. Vice Chair Young seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9.14 RESOLUTION 2019-05-22 (14)
(Approval to Negotiate and Award a Contract for the Third Party
Evaluation Services for the Children's Savings Account Program)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, Tacoma Housing Authority's Children's Savings Account (CSA) Program is currently undergoing redesign for expansion in the fall of 2019; and

WHEREAS, On February 1, 2019, Tacoma Housing Authority (THA) Staff issued a Request for Proposal (RFP) from firms interested in providing third party evaluation, research and consultation services for the redesign of the CSA; and

WHEREAS, The RFP was posted on THA's website, the Tacoma News Tribune and shared with THA's local network on February 1, 2019; and

WHEREAS, One (1) firm submitted proposals by the deadline of March 15, 2019; and

WHEREAS, An interview team comprised of PIE and CSE staff interviewed this firm; and

WHEREAS, The evaluation and interview team voted unanimously in favor of awarding a contract to the firm of BERK Consulting, Inc.; now, therefore, be it

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

The Executive Director is authorized to negotiate, and if those negotiations are successful, to award a contract with BERK Consulting Group for third party evaluation, research and consultations services for the Children's Savings Account Program in an amount not-to-exceed \$135,000 over the next three years.

Commissioner Smith motioned to approve the resolution. Commissioner Rumbaugh seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9. COMMENTS FROM COMMISSIONERS

ED Mirra stated that the numerous resolutions denotes a lot of staff work and thanked staff. The commissioners agreed. ED Mirra is also thankful for the board for their support.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:43 PM.

APPROVED AS CORRECT

Adopted: June 26, 2019



Dr. Minh-Anh Hodge, Chair