TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-8 (5)

Date: December 8, 2021

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Redevelopment of James Center North (Aviva Crossing) – Formation of Aviva Crossing 4 LLLP

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to form and execute the documents associated with Aviva Crossing 4 LLLP associated with the redevelopment of James Center North (Aviva Crossing).

Background

THA purchased the retail center known as James Center North in October 2017. The master plan was completed in 2019. THA plans to sell four of the five parcels to third party developers and develop one of the parcels itself. THA is in the process of developing a financing and redevelopment plan for its parcel in the newly named Aviva Crossing (f/k/a James Center North). Financial options are being considered to develop the new affordable units. We anticipate using both 4% and 9% low-income housing tax credits (aka 4/9/combo) to develop approximately 150 units of new affordable housing for households earning between 30% and 60% of AMI. The unit breakdown is proposed to be one- and two-bedroom units located in a single mid-rise elevator building.

THA expects to lease the land and the improvements to the LLLP for up to 99 years.

The financing structure is expected to include, but not limited to, the following sources of funding: tax credit equity, City of Tacoma/TCRA funding, private debt, bond and THA funds.

This resolution will authorize THA's Executive Director to:

1. Form a limited liability limited partnership for the 4% tax credit/bond portion of (Aviva Crossing 4 LLLP)

2. To prepare, execute and submit to the Washington State Housing Finance Commission any agreements and other documents necessary to secure the proper approval of the LLLP's use of low-income housing tax credits for the project

3. To execute, deliver and/or file, on behalf of the Authority in its own behalf and in its capacity as the LLLP's general partner, as applicable, any other affidavits, certificates, letters, government forms, documents, agreements and instruments that the Executive Director determines to be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein and/or in connection with the application for low income housing tax credits or other financing for the project; and

4. To expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

Recommendation

Approve resolution 2021-12-8 (5) authorizing THA's Executive Director to approve, execute and deliver all documents necessary to assume the role of the LLLP's general partner.

TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-8 (5)
(Initial Resolution authorizing the creation of Aviva Crossing 4 LLLP)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the formation of a limited liability limited partnership in which the Authority will be the sole general partner in connection with the acquisition, development, construction, equipping, and operation of an affordable rental housing project within the City of Tacoma, Washington, and providing for other matters properly related thereto.

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

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

(a) The Authority seeks to encourage the provision of long-term housing for low-income persons residing within the City of Tacoma, Washington (the "City").

(b) 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) "make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income" (RCW 35.82.070(18)); and (v) "delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper" (RCW 35.82.040).

(d) 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."

(e) The Authority expects to participate in the acquisition, development, rehabilitation, construction, equipping, operation and maintenance of [a residential rental housing project as part of the Aviva Crossing/James Center North redevelopment project located in the City of Tacoma in the vicinity of 1622 S. Mildred Street, Tacoma, Washington] ("Project"). The total financing for the Project is expected to require the use of various funding and credit enhancement sources, including low-income housing tax credits, loans from public and private lenders, and grants. Certain of these sources will require the creation of a partnership or limited liability company. The Board further finds and determines that the Partnership (as defined below) and the Project will provide for the necessary support of the poor within the City.

(e) Based on its consideration of the funding sources available for the Project, the need for affordable housing in the City, and other matters, the Board deems it necessary to proceed with the transactions described in this resolution, and that any financing provided by the Authority for the Project is important for the Project's feasibility and is necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law.

Section 2. The Authority is authorized to participate in the formation of, and become the sole general partner of a Washington limited liability limited partnership (the "Partnership"). The Board intends that the Partnership will acquire, develop, construct, equip, operate and maintain the Project and receive low-income housing tax credits in connection therewith.

Section 3. The Authority's Executive Director, the Authority's Deputy Executive Director, and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, a partnership agreement, a certificate of limited partnership, and all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) determine the name of the Partnership (it being understood that the words "Aviva Crossing 4 LLLP" should appear in the name to the greatest extent feasible); and (iii) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority's Executive Director is delegated the authority to cause, in their discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited liability limited partnership, partnership agreement, general partner, limited partner, chapter 25.10 RCW, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, chapter 25.15 RCW and certificate of formation, respectively.

Section 4. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the general partner of the Partnership) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private sector financing, Community Development Block Grant(s), Washington State Housing Trust Fund grant(s) and/or loan(s), an allocation of private activity bond volume cap from the Washington State Department of Commerce and/or the Washington State Housing Finance Commission, as applicable, and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance Commission for an allocation of (or approval of the use of) low income housing tax credits for all or a portion of the Project (depending on whether the Authorized Officers determine to pursue "9%" tax credits, "4%" tax credits), enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation(s) (or approval(s)), and cause such allocation(s) (or any portion(s) thereof) to be assigned to the Partnership if the allocation(s) initially are made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits for the Project; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership and, if the Executive Director

determines the same to be advisable, limited partner or member interests in limited partnerships and/or limited liability companies formed to finance other Authority tax credit projects; (vii) execute documents pursuant to which Authority funds (including amounts granted or lent to the Authority for the Project) may be lent to the Partnership; (viii) prepare all appropriate resolutions for Board review and approval; (ix) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (x) negotiate contracts relating to the use, management and naming of Project buildings; (xi) take all necessary and appropriate actions for the Partnership to acquire all or a portion of the Project by sale or lease from the existing owner thereof (including entering into any option to lease, or lease, necessary to provide the Partnership with control of all or a portion of the Project site); (xii) apply for bond insurance and other credit enhancement for any bonds to be issued by the Authority to finance the Project (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (xiii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Project, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiv) apply for ratings of any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such ratings to be desirable); (xv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority to finance the Project; and (xvi) otherwise execute the Authority's rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Project.

Section 5. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, any development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.

Section 6. The Authority is authorized 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. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend money to the Partnership to pay such costs, with the loan bearing interest at such rate that the Executive Director determines, in his discretion (which may be 0% per annum).

Section 7. Any action required by this resolution to be taken by the Executive Director of the Authority may, in the absence of the Executive Director, be taken by the Deputy Executive Director of the Authority.

Section 8. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 9. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting this 8th day of December, 2021.

HOUSING AUTHORITY OF THE CITY OF TACOMA

Stanley Rumbaugh
Chair, Board of Commissioners

ATTEST:

April Black
Executive Director

CERTIFICATE

I, April Black, the duly chosen qualified 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 Resolution 2021-12-8 (5_) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on December 8, 2021 (the "Meeting"), and duly recorded in the minute books of the Authority;

2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time;

3. The public was notified of access options for remote participation in the Meeting via _THA website and social media; and

4. The Meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting through telephonic and/or internet means of remote access, 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 December 8, 2021.

HOUSING AUTHORITY OF THE CITY OF TACOMA

April Black

April Black, Executive Director