



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-1-12 (1)

Date: January 12, 2015
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Bay Terrace Operating Subsidy Only Transaction

Background

This resolution would authorize the executive director to finalize the financing for Bay Terrace Phase 1. The board has already approved this financing. HUD requires this formal resolution.

In April 2013, THA closed the financing of Bay Terrace Phase 1, a 70-unit low-income housing project located in the City of Tacoma, Washington, (the "Project"). The project is leased to, and owned (for federal income tax purposes) by, 2500 Yakima LLLP (the "Partnership"), a Washington limited liability limited partnership of which THA is the sole general partner. The Board adopted two resolutions to authorize the financing and lease transactions: Resolution No. 2013-1(23)(3) and Resolution No. 2013-1-23(4). At the time of closing, we expected that HUD would provide project based Section 8 vouchers for 46 units in the Project. Instead, HUD directed that THA provide the vouchers for 20 units, with 26 units to receive the lower public housing operating subsidy. The Board previously adopted Resolution 2014-6-25(4) to authorize THA to pay funds to the Partnership equal to the difference, including a higher reserve. The investors and lenders require this. NOTE: THA still expect to convert these public housing units to Section 8 with its RAD application to HUD. When that happens, this extra payment will become unnecessary.

In order to finalize the HUD subsidy arrangement, THA (on its own behalf and in its capacity as general partner of the Partnership) must enter into certain agreements and instruments, and amendments of certain of the original financing agreements.

Recommendation

Approve Resolution 2015-1-12(1) memorializing the Board's authorization and direction to the Executive Director to execute documents and take all necessary actions in connection with the HUD subsidy arrangement, as contemplated by the instruments described in Resolution 2015-1-12(1).



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-1-12 (1) **(Bay Terrace (Hillside) HUD Public Housing Operating Subsidy)**

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

Whereas, RCW 35.82.070(2) provides that a housing authority is authorized to “prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alternation or repair of any housing project or any part thereof”;

Whereas, RCW 25.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project”;

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 dwelling apartments, mobile home parks or other living accommodations for persons of low income”;

Whereas, RCW 35.82.070(1) provides that a housing authority may, among other things, “make and execute contracts and other instruments, including but not limited to partnership agreements”;

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 of persons of low income”;

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”;

Whereas, pursuant to the authority provided by RCW 35.82.070(1), Housing Authority of the City of Tacoma (the “Authority”) formed 2500 Yakima LLLP (the “Partnership”), a Washington limited liability limited partnership of which the Authority is the sole general partner;

Whereas, the Partnership applied to the Authority for financial assistance for the purpose of providing part of the funds with which to construct a 70-unit apartment complex (including a community education facility) to be known initially as 2500 Yakima Apartments, as part of Bay Terrace (formerly known as Hillside Terrace) Phase I Redevelopment Project, to provide housing for low income persons within the City of Tacoma, Washington (the “Project”);

Whereas, pursuant to Resolution No. 2013-1-23(3) and Resolution No. 2013-1-23(4), the Board authorized financing for the Project, including tax-exempt bonds, low income housing tax credits and a loan from the Authority to the Partnership, as well as the lease of the Project from the Authority to the Partnership;

Whereas, at the time of closing of the financing for the Project, it was anticipated that the United States Department of Housing and Urban Development (“HUD”) would provide project based Section 8 vouchers for 46 units in the Project. The Authority, after consultation with HUD, has since determined to instead provide project based Section 8 vouchers for 20 units in the project, with 26 units to receive public housing operating subsidy;

Whereas, in order to obtain the public housing operating subsidy for the Project, it is necessary that the Authority, acting on its own behalf and as general partner of the Partnership, execute and deliver certain agreements, documents and certificates as well as amendments to certain original financing documents to reflect a change from project based Section 8 vouchers to public housing operating subsidy for such units; and

Whereas, it is in the best interest of the Authority to take such actions to obtain the public housing operating subsidy for 26 units in the Project, and the Board of Commissioners of the Authority wishes to memorialize its approval of such transactions and execution of related documents through the adoption of this resolution;

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

1. Authorization of Documents and Execution Thereof. The Chair of the Board, the Authority’s Executive Director 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 general partner of the Partnership): (i) those documents listed in Exhibit A (collectively, the “Documents”); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated hereby and by the 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 as general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein).
2. 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, as applicable) to fulfill the Authority’s duties and obligations, and cause the Partnership to fulfill the Partnership’s duties and obligations under the various agreements authorized by this resolution. In the furtherance of the foregoing, the Authority is authorized to expend such funds (and to cause 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.

3. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or acting Executive Director of the Authority, respectively.
4. 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.
5. 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.
6. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: January 12, 2015



Stanley Rumbaugh, Chair

Exhibit A

DOCUMENTS

1. Bay Terrace Apartments Mixed-Finance Amendment to Consolidated Annual Contributions Contract [Operating Funds Only], between the United States Department of Housing and Urban Development (“HUD”) and the Housing Authority of the City of Tacoma (the “Authority”);
2. Declaration of Restriction Covenants [Operating Funds Only] (Bay Terrace Apartments), between the Authority and the 2500 Yakima LLLP (the “Partnership”) for the benefit of HUD;
3. Bay Terrace Apartments Regulatory and Operating Agreement for Mixed-Income Project, between the Authority and the Partnership;
4. First Amendment to Lease Agreement, between the Authority and the Partnership;
5. Non-Disturbance and Attornment Agreement, between HUD and the Partnership;
6. Amendment to Recording Priority and Subordination Agreement (Hillside Terrace, Phase I Housing), among the Authority, the Partnership, J.P. Morgan Chase Bank, N.A. (the “Bank”), Washington State Housing Finance Commission, the Department of Commerce, a Department of the State of Washington, Tacoma Community Redevelopment Authority and HUD;
7. First Amendment to the First Amended and Restated Agreement of Limited Partnership of 2500 Yakima LLLP, among the Authority, Wincopin Circle LLLP and Enterprise Housing Partners XXIV Limited Partnership;
8. First Amendment to Construction and Permanent Loan Agreement and First Amendment to Guaranty, among the Authority, the Partnership and the Bank; and
9. Promissory Note (Bay Terrace Phase I – THA Subsidy Reserve Loan) to be made by the Partnership to the Authority.

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. 2015-1-12(1) (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 January 12, 2015, 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 901 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 12th day of January, 2015.

Michael Mirra

Michael Mirra, Secretary and Executive Director of
the Authority

APPENDIX I

**SPECIAL MEETING
BOARD OF COMMISSIONERS**

MONDAY, January 12, 2015

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Special Meeting on **Monday, January 12, 2015 at 4:30 PM**

The meeting will be held at:

**902 South L. Street
Tacoma, WA**

Business to be conducted:

A review of two resolutions:

THA Resolution 2015-1-12 (1), Bay Terrace Operating Subsidy Only Transaction

THA Resolution 2015-1-12 (2), Bay Terrace Rental Assistance Demonstration (RAD) Application

The site is accessible to persons with disabilities. Persons requiring special accommodations should contact Christine Wilson at (253) 207-4421, before 4:00 p.m. the day before the scheduled meeting.

I, Christine Wilson, certify that on or before January 9, 2015, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE to:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	fax: 253-272-8226
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	emailed to tips@q13fox.com
KSTW-TV/Channel 11	1000 Dexter Avenue N #205 Seattle, WA 98109	fax: 206-861-8865
Tacoma News Tribune	1950 South State Tacoma, WA 98405	fax: 253-597-8274
The Tacoma Weekly	PO Box 7185 Tacoma, WA 98406	fax: 253-759-5780

and other individuals and resident organizations with notification requests on file

Christine Wilson
Executive Administrator