



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-05-25(3)

Date: May 25, 2016
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Amendment of Salishan Four Program Loan Agreement

This resolution will authorize Tacoma Housing Authority ("THA") to amend the Loan Agreement relating to the program income loan made by THA to Salishan Four LLC (the "LLC").

Background

Tacoma Housing Authority (THA) is the managing member of the LLC. The LLC was formed to develop the Salishan Four portion of THA's Salishan HOPE VI Redevelopment Project. The LLC's development costs were financed with capital contributions from investors, together with various loans made by THA and other lenders.

THA and the LLC entered into a Loan Agreement dated June 28, 2007, pursuant to which THA agreed to lend the Borrower up to \$5,279,951. The parties intended that the loan bear interest at the "applicable federal rate" for federal tax purposes, which requires that interest on the loan compound at least annually. The parties have treated interest that has accrued on the loan to date as if such interest has compounded annually. However, the loan agreement does not specifically require that interest on the loan be compounded.

THA was approached by the LLC's investor member with a request to amend the loan agreement to clarify the intent of the parties that interest on the loan compound annually. THA staff believes such request to be reasonable, and that the proposed amendment to the loan agreement is appropriate.

This resolution will authorize THA to execute all documents related to such an amendment of the Salishan Four program loan agreement.

Recommendation

Approve Resolution 2016-05-25(3).



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-05-25(3) **(Amendment of Salishan Four Program Loan Agreement)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the amendment of the Loan Agreement pertaining to the Salishan Four Program Income Loan, and determining related matters.

WHEREAS, The Housing Authority of the City of Tacoma (the "Authority") and Salishan Four LLC (the "LLC") entered into a Loan Agreement (the "Agreement") dated June 28, 2007, pursuant to which the Authority agreed to lend the Borrower up to \$5,279,951 (the "Loan") to finance costs incurred by the LLC with respect to the Salishan Four portion of the Salishan HOPE VI Redevelopment Project; and

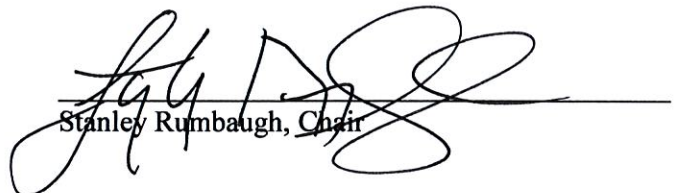
WHEREAS, Although the Authority and the LLC intended that interest on the Loan be compounded annually, the Agreement does not specifically require such interest to be compounded; and

WHEREAS, The Board of Commissioners finds and determines that it is necessary and appropriate to amend the Agreement to reflect the original intent that interest on the Loan be compounded annually; now, therefore, be it

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

1. Approval of Amendment. The Authority and the LLC each is authorized to amend the Agreement to reflect that interest on the Loan be compounded annually. 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 and deliver (or cause to be executed and delivered) on behalf of the Authority (acting on its own behalf or as the managing member of the LLC) an amendment to the Agreement that reflects the intent that interest on the Loan be compounded annually; and (ii) any other documents reasonably required to be executed by the Authority or the LLC in connection with such amendment.
2. 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.
3. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: May 25, 2016


Stanley Rumbaugh, Chair



TACOMA HOUSING 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 2016-05-25(3) (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a regular meeting of the Authority held on May 25, 2016, 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 25, 2016.

Michael Mirra

Michael Mirra, Secretary and Executive Director of the Authority