



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-02-22 (1)

**Date:** February 22, 2017  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Conversion of Subsidy for Bay Terrace I from Public Housing to RAD

This resolution would authorize the executor director to execute documents to complete the conversion of Bay Terrace's public housing units to project based section eight units. This is part of the RAD refinancing.

### Background

THA and the Dept of Housing and Urban Development ("HUD") are parties to that Consolidated Annual Contributions Contract (ACC)(Form HUD-53012A and Form HUD-53012B) Number SF169, dated June 15, 2000, relating to public housing activities administered by THA.

THA is the general partner of 2500 Yakima LLLP, a Washington limited liability limited partnership (the "Partnership"). The Partnership developed an affordable rental housing project located at 2550 South G Street in Tacoma, WA (the "Project"), on property owned by THA that was leased by THA to the Partnership. Twenty-six units of rental housing in the Project currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract executed on or about January 20, 2015, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of January 20, 2015, between THA and the Partnership. The initial development of the Project was financed with capital contributed by the partners of Partnership, loans made by the State of Washington Department of Commerce, a loan from the Tacoma Community Redevelopment Authority, a loan from THA funded by Moving to Work funds, a capital grant, and other capital funds of THA, and a loan from THA funded by proceeds of bonds issued by THA.

THA has applied to HUD to convert the project from public housing to a project-based Section 8 project under HUD's Rental Assistance Demonstration ("RAD") program (the "RAD Conversion"). To do this provisions of the Partnership's limited partnership agreement, the project lease, loan documents and related documents must be amended, certain existing public housing agreements must be terminated, and certain RAD program agreements must be entered. Resolution No. 2017-02-22 (1) will authorize THA to execute all documents related to the RAD Conversion.

### Recommendation

Authorize THA to execute all documents related to the RAD Conversion.





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-02-22 (1)

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 Bay Terrace I Project; 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 2500 Yakima LLLP (the "Partnership"), which limited liability limited partnership developed a 70-unit affordable rental housing project commonly known as Bay Terrace I (the "Project"), on property located at 2550 South G Street in Tacoma, Washington, that was leased to the Partnership by the Authority, and 26 units of rental housing in the Project currently are administered as public housing units; and

**WHEREAS**, The Authority applied to the U.S. Department of Housing and Urban Development ("HUD") to allow the public housing units in the Project to be converted to project-based Section 8 units under HUD's Rental Assistance Demonstration ("RAD") program, and HUD has approved of such conversion; and

**WHEREAS**, In connection with the conversion of the Project's public housing units to project-based Section 8 units, certain provisions of the Partnership's limited partnership agreement, project lease, 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 Project, 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. Existing Project Documents and HUD 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 (acting on its own behalf or in its capacity as general partner of the Partnership, as applicable): (i) those documents described in Exhibit A under the headings "Existing Project Documents" and "HUD Documents"; (ii) such other documents relating to the Partnership or the Partnership's existing loans 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 (iii) any document not described in Exhibit A under the heading "HUD Documents" that HUD requires in connection with such conversion.

2. 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 of the Partnership, 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 the Partnership 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 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 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.
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. 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.
6. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: February 22, 107

  
Dr. Arthur C. Banks, Chair

**EXHIBIT A**  
**TRANSACTION DOCUMENTS**

**Existing Project Documents**

- An amendment to the Partnership's First Amended and Restated Agreement of Limited Partnership as necessary or desirable to remove references to public housing requirements, to insert references to RAD program requirements, and to remove any obligation of the Authority to make rental subsidy contributions with respect to public housing units;
- An amendment to the Lease Agreement between the Authority and the Partnership as necessary or desirable to remove references to public housing requirements and to insert references to RAD program requirements, and a corresponding amendment to the Memorandum of Lease Agreement to reflect amendments made to such Lease Agreement;
- An amendment to the existing priority and subordination agreement for the Project as necessary or desirable to list the relative priorities of HUD's Rental Assistance Demonstration Use Agreement and existing encumbrances and to insert references to RAD program requirements;
- Amendments to the existing loan documents with Commerce, TCRA, the Authority, and JPMorgan Chase Bank, N.A., all as necessary or desirable to remove references to public housing requirements, to insert references to RAD program requirements, and to remove any obligation of the Authority to make rental subsidy contributions with respect to public housing units;
- Amendments to the loan or grant agreements, and related documents, for loans and grants underlying the Authority's various loans to the Partnership, 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 (RAD) Conversion Commitment (Public Housing; First Component) between the Partnership and HUD, together with any necessary or desirable amendments thereof;
- Rental Assistance Demonstration Use Agreement among the Authority, the Partnership and HUD, together with the Rider to Use Agreement Relating to Foreclosure (for PBV and PBRA RAD conversions from Public Housing) among the Authority, the Partnership and HUD;
- PBV Housing Assistance Payments Contract New Construction or Rehabilitation between the Partnership and HUD, together with Rental Assistance Demonstration (RAD); Rider to the Section 8 Project Based Voucher Program (PBV) Housing Assistance Payments (HAP)

Contract for New Construction or Rehabilitated Housing (Public Housing Conversions; First Component) between the Partnership and the Authority, the LIHTC Rider to Housing Assistance Payment Contract (for PBV RAD conversions from Public Housing) among the Partnership, the Authority and HUD, and the Lender Rider to Housing Assistance Payment Contract (for PBV RAD conversions from Public Housing) among the Partnership, the Authority and HUD;

- Consolidated Owner Certification – Rental Assistance Demonstration by the Authority and the Partnership;
- Certification and Assurances by the Authority and the Partnership;
- Termination of Mixed Finance Amendment to Annual Contributions Contract with respect to the Project between the Authority and HUD; and
- Termination of Regulatory and Operating Agreement between the Authority and the Partnership.

## 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. 2017-02-22 (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 February 22, 2017, 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 February 22, 2017.



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Michael Mirra, Secretary and Executive Director of  
the Authority