



# TACOMA HOUSING AUTHORITY

## RESOLUTION No. 2012-10-24 (1)

DATE: October 24, 2012  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Stewart Court Authorizing Formation of LLLP and Application for funding

### **Background**

THA staff has developed a new financing and phasing plan in order to rehabilitate the Stewart Court Apartments. The scope of work for Stewart Court Apartments includes high priority exterior upgrades such as new siding, insulation, gutters and down spouts and site work, as well as replacing the electrical panels and domestic water supply system. This resolution is proposed at this time in order for THA to create the tax credit partnership entity needed to secure the financing that will pay for these improvements at Stewart Court.

The new partnership entity proposed for Stewart Court will own a 99% share of this 59-unit project. The units will continue to be made affordable to households at less than 50%, less than 65% and less than 80%, of area median income, respectively. The unit breakdown is as follows: 40 1-bedroom units and 19 2-bedroom units.

Staff is working with the project architects on the project design.

THA expects to lease the land and improvements to a limited liability limited partnership for approximately 99 years.

The financing structure for this phase is expected to include, but not be limited to, the following sources of funding: tax credit equity, HTF funding and private debt.

### **Board Resolution**

The subject Resolution seeks Board approval to authorize the Executive Director to:

1. Form a limited liability limited partnership
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 THA'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 managing 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 2012-10-24 (1) authorizing the Executive Director to approve, execute and deliver all documents necessary to assume the role of the LLLP's general partner.



# TACOMA HOUSING AUTHORITY

## RESOLUTION NO. 2012-10-24(1)

(Stewart Court Apartments)

A RESOLUTION of the Housing Authority of the City of Tacoma authorizing (i) the formation of a limited liability limited partnership of which the Authority will be the sole general partner in connection with the acquisition, construction and operation of an affordable multifamily rental housing project located at 301-3218 South Tyler Street in the City of Tacoma, Washington; (ii) the submission of applications for funding and credit enhancement for such housing project; and (iii) the disposition by sale or lease of all or portions of the project site to the partnership; and providing for other matters properly related thereto.

**Whereas**, the Housing Authority of the City of Tacoma (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within the City of Tacoma, Washington (the “City”).

**Whereas**, 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); and (v) “make . . . loans for the . . . acquisition, construction, reconstruction, rehabilitation, improvement, leasing, or refinancing of land, buildings, or developments for housing persons of low income.”

**Whereas**, 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.”

**Whereas**, the Authority expects to develop an affordable multifamily rental housing project consisting of approximately 59 dwelling units, to be located at 321-3218 South Tyler Street, Tacoma, WA in the City (the “Project”). The total financing for the project will require the use of various funding sources, which may include low-income housing tax credits, the issuance of tax-exempt bonds, loans from public and private lenders, and/or grants. Certain of those sources will require creation of a partnership or limited liability company to maximize the benefits and minimize the risks to the Authority.

**Whereas**, the Board finds and determines that both the Partnership (as defined below) and the Project will provide for the necessary support of the poor within the City.

**Whereas**, based on its consideration of the funding sources available for the Project, the need for affordable housing in the City, and other matters, the Authority's Board of Commissioners (the "Board") has deemed it necessary to proceed with the transactions described in this resolution.

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

1. The Authority is authorized to: (i) participate in the formation of, and become the sole general partner in, a Washington limited liability limited partnership (the "Partnership"), which Partnership shall have an initial limited partnership agreement (the "Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership") substantially in the forms on file with the Authority's Executive Director (the "Executive Director"), with such changes as the Executive Director may deem necessary or advisable (and not inconsistent with the terms of this resolution). The Board intends that the Partnership will develop the Project and receive low income housing tax credits in connection therewith.
2. The Executive Director and his designee (each, an "Authorized Officer" and, together, 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, and cause the Authority to perform its duties under, the Partnership Agreement, the Certificate of Limited Partnership and all forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) approve any changes to the Partnership Agreement and the Certificate of Limited Partnership, including any material changes, that any Authorized Officer may deem necessary or advisable (and not inconsistent with the terms of this resolution); (iii) determine the name of the Partnership (it being understood that the words "Stewart Court Apartments LLLP" should appear in the name to the greatest extent feasible); and (iv) 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 his discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited partnership, partnership agreement, general partner, limited partner, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, and certificate of formation, respectively.
3. 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 Partnership's general partner) 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, an allocation of private activity bond volume cap from the Washington

5. The Authority is authorized 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. 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 up to \$[ ] million to the Partnership to pay such costs, with the loan-bearing interest at such rate as the Executive Director determines, in his discretion (which may be 0% *per annum*).
6. Any action required by this resolution to be taken by the Executive Director of the Authority may, in his absence, be taken by the duly authorized acting Executive Director of the Authority.
7. 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.
8. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissions of the Housing Authority of the City of Tacoma at an open public meeting this 24<sup>th</sup> day of October, 2012.

HOUSING AUTHORITY OF THE CITY  
OF TACOMA

  
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Janis Flaming, Chair



# TACOMA HOUSING 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 Resolution No. 2012-10-24(1) (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 the 24<sup>th</sup> day of October, 2012, and duly recorded in the minute books of the Authority.

2. That such 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 such meeting was given; 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 24<sup>th</sup> day of October, 2012.

HOUSING AUTHORITY OF THE CITY OF  
TACOMA

*Michael Mann*

Executive Director of the Authority