



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (5)

DATE: September 28, 2016

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: Authorization to acquire limited partner and investor member interests in certain existing THA-controlled entities

This resolution would authorize Tacoma Housing Authority (THA), acting together with Tacoma Housing Development Group (THDG) to acquire the investor interests of Boston Financial Investment Management or its affiliate in Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC, and Salishan Three LLC (each a "LIHTC Entity").

Background

THA formed each LIHTC Entity for the purpose of owning and developing a low-income housing project that would qualify for federal low-income housing tax credits ("LIHTCs"). Each LIHTC Entity has developed and operates an affordable rental housing project located in Tacoma, Washington, on property owned by THA that is leased by the LIHTC Entity. THA is the general partner or the managing member of each LIHTC Entity. Boston Financial Investment Management or an affiliate (BFIM), owns all of the investor limited partner (or investor member) interests in each LIHTC Entity. The periods during which LIHTCs can be allocated to BFIM have either expired or will expire by December 31, 2016. THA has been advised that BFIM is willing to transfer its interests in each LIHTC Entity to THA, or a THA affiliate, so long as THA commits to comply with existing regulatory agreements applicable to each project.

Board Resolution

The subject resolution seeks Board approval to authorize the Executive Director and the Deputy Executive Director to each negotiate and execute documents on behalf of THA relating to the withdrawal of BFIM from each LIHTC Entity at the lowest cost reasonably possible.

Recommendation

Authorize THA's Executive Director and Deputy Executive Director to each negotiate and execute documents with BFIM regarding the Authority's acquisition of BFIM's interests in each LIHTC Entity.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (5)

(Authorization to acquire limited partner and investor member interests in certain existing THA-controlled entities)

A **RESOLUTION** authorizing the Authority to acquire the investor interests in Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC, and Salishan Three, LLC; authorizing the execution and delivery of certain agreements and other documents with respect to the acquisition of such interests; 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"); and

WHEREAS, The Authority is the general partner or managing member of Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC (each, a "LIHTC Entity"), each of which developed and operates an affordable rental housing project on property leased to such LIHTC Entity by the Authority; and

WHEREAS, Boston Financial Investment Management and/or its affiliates (collectively, "BFIM") owns all of the limited partner interest and investor member interest in the LIHTC Entities; and

WHEREAS, BFIM is willing to transfer its investor interests in the LIHTC Entities to the Authority (or an affiliate of the Authority), so long as the LIHTC Entities continue to comply with existing regulatory agreements applicable to each project; and

WHEREAS, The Board finds and determines that the Authority can obtain greater control of the various projects owned by the LIHTC Entities if it acquires such investor interests from BFIM, and that such greater control is in the best interests of the Authority and the persons it serves; now, therefore, be it

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

1. The Authority's Executive Director and Deputy Executive Director (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to negotiate with BFIM regarding the Authority's acquisition of BFIM's interests in each LIHTC Entity.

2. Subject to the limitation specified in Section 5 of this resolution, the Authority is authorized to acquire all of BFIM's interests in each or any of the LIHTC Entities. Each Authorized Officer is delegated the authority to determine the order in which BFIM's interests are to be acquired; which BFIM's interests, if any, are to be acquired and the amount (subject to the limitation specified in Section 5 of this resolution) the Authority will pay to (or reimburse) BFIM with respect to any such acquisition.
3. Each Authorized Officer is authorized on behalf of the Authority (in its individual capacity and/or in its capacity as each LIHTC Entity's general partner or managing member) with respect to any acquisition to be made pursuant to this resolution to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, such agreements, certificates, documents and instruments as are necessary or appropriate in each Authorized Officer's discretion to give effect to this resolution and to consummate such acquisition; and (ii) take any other action that each Authorized Officer deems necessary and advisable to give effect to this resolution and consummate the transactions contemplated herein.
4. If the Authority acquires the interests of BFIM in any LIHTC Entity, each Authorized Officer is authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the LIHTC Entity's general partner or managing member) to cause BFIM to transfer all of its interests in each LIHTC Entity to the Authority and/or an affiliate of the Authority, including but not limited to Tacoma Housing Development Group.
5. The Authority is authorized to expend available Authority funds in a total amount that is the lowest cost reasonably possible in connection with the acquisition of BFIM's interests in the LIHTC Entities, including payments to and reimbursements of BFIM, as well as payment of any applicable filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.
6. 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.
7. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: September 28, 2016



Dr. Arthur C. Banks, 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. 2016-09-28 (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 September 28, 2016, 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 on September 28, 2016.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: Michael Mirra
Michael Mirra, Executive Director