



RESOLUTION 2024-10-23(2)

Date: October 23, 2024

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Exit of RBC from Salishan V LLC

This resolution would authorize the execution and delivery of certain agreements and documents related to Salishan Five LLC.

BACKGROUND

A resolution of the Board of Commissioners providing for the acquisition of membership interest in Salishan Five LLC and/or the acquisition of the Salishan Four affordable rental housing project.

RECOMMENDATION

Authorizing the execution and delivery of certain agreements and other documents with respect to such acquisitions and/or assumptions and providing for other matters related to Salishan Five LLC.



HOUSING AUTHORITY OF THE CITY OF TACOMA

RESOLUTION 2024-10-23 (2)

A RESOLUTION OF BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA PROVIDING FOR THE ACQUISITION OF MEMBERSHIP INTERESTS IN SALISHAN FIVE LLC AND/OR THE ACQUISITION OF THE SALISHAN FIVE AFFORDABLE RENTAL HOUSING PROJECT, AUTHORIZING THE ASSUMPTION, AMENDMENT AND/OR RESTRUCTURING OF OBLIGATIONS PERTAINING TO SALISHAN FIVE, AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS AND OTHER DOCUMENTS WITH RESPECT TO SUCH ACQUISITIONS AND/OR ASSUMPTIONS, AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA, as follows:

Section 1. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Tacoma (the “Authority”) hereby makes the following findings and determinations:

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

(b) 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” (RCW 35.82.070(2)); (ii) “make and execute contracts and other instruments” (RCW 35.82.070(1)); and (iii) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040).

(c) The Authority formed Salishan Five LLC (the “Company”) on January 16, 2007, and has served as the Company’s managing member at all times. AHC SALISHAN II, L.L.C., or its successor and/or assign is the investor member of the Company (the “Investor Member”) and RBC TAX CREDIT MANAGER II, INC. (the “Special Member”), or its successor and/or assign is the special member of the Company. Pursuant to a Lease Agreement dated as of June 26, 2008, by and between the Authority and the Company, as previously amended and supplemented, the Company has a leasehold interest in the land and buildings comprising the Salishan Five affordable rental housing project located at 1728 East 44th Street, Tacoma, Washington (the “Project”). The Company has claimed federal low-income housing tax credits (“LIHTCs”) with respect to the Project. The compliance period with respect to such LIHTCs has expired or will soon expire. The Investor Member and the Special Member have expressed their desire to transfer their membership interests to or at the direction of the Authority, or to allow the Authority to acquire the Company’s interests in the Project.

(d) Based on the need to preserve affordable rental housing opportunities within its area of operation and other matters, the Board deems it necessary to proceed with the transactions described in this resolution.

Section 2. Acquisition of Membership Interests and Project. The Authority is authorized to acquire all or any portion of the membership interests of the Investor Member and/or the Special Member in the Company, whether by gift from such Investor Member or upon payment to such Investor Member. Alternatively, all or any portion of the membership interests of the Investor Member and/or the Special Member in the Company may be transferred to Tacoma Housing Development Group (“THDG”), or another assignee of the Authority. Further, the Authority may acquire the Company’s leasehold interest in the Project in lieu of (or subsequent to) acquiring the member interests in the Company and cause the Company to terminate its leasehold interest in the Project (or otherwise transfer the project to the Authority). The Board hereby delegates to the Authority’s Executive Director, the Chair of the Board, and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, the authority to determine, in their discretion, whether, when, and in what sequence, to proceed with the Authority’s acquisition of the membership interests of the Investor Member and/or the Special Member, transfer to THDG or another assignee of the Authority of the membership interests of the Investor Member and/or Special Member, and/or acquisition by the Authority of the Company’s leasehold interest in the Project.

Section 3. Assignment, Amendment and/or Transfer Documents. The Authorized Officers, and each of them acting alone, are authorized in their discretion to cause the Authority and the Company to enter into such transfer agreements, assignment and assumption agreements, amendments and restatements to the Second Amended and Restated Operating Agreement of the Company (as previously amended and/or supplemented to date) and other agreements, as are deemed necessary or desirable by any Authorized Officer to properly evidence the transfer of the membership interests to the Authority and/or THDG or other transferee, or their respective designees, or to evidence the transfer of the Project to the Authority. Without limiting the foregoing authority, the Authority is authorized (acting on its own behalf and/or as the Company’s managing member) to enter into (i) assignment and assumption agreements with any lender that has made a loan with respect to the Project including, without limitation, Citicorp USA, Inc., Tacoma Community Redevelopment Authority, Pierce County, Washington, and the Washington State Department of Commerce; (ii) one or more agreements with the Washington State Housing Finance Commission assuming responsibility for complying with the extended use agreement for the Project; and (iii) one or more agreements with the United States of America, Secretary of Housing and Urban Development assuming responsibility for complying with a use agreement and other agreements for the Project. An Authorized Officer’s execution of any instrument contemplated by this Section 3 will constitute conclusive evidence of their approval of the terms thereof and the approval by the Authority of such terms.

Section 4. Purchase Price and Other Expenditures. The Authority is authorized (acting on its own behalf and/or as the Company’s managing member) to pay to the Investor Member, the Special Member, the Company, and/or their respective designees, the amount necessary to acquire the Investor Member’s and/or the Special Member’s interests in the Company, or to acquire the Company’s interest in the Project. In addition to payments authorized pursuant to the preceding sentence, the Authority is authorized to expend such

additional funds as are necessary to pay for all governmental filing fees, application fees, registration fees, real estate excise taxes, Washington State Housing Finance Commission fees, and other costs relating to the actions authorized by this resolution.

Section 5. Amended and Restated Operating Agreement; Termination of Company. If the Authorized Officers, or any of them, determine that it is in the Authority's interests to cause the Authority and/or THDG or another designee to acquire membership interests in the Company, then the Authority is authorized to enter into, and to cause the Company to enter into, an amended and restated limited operating agreement (the "Operating Agreement") for the Company in a form approved by the Authorized Officer executing the Operating Agreement. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to execute and deliver the Operating Agreement. An Authorized Officer's execution of the Operating Agreement will constitute conclusive evidence of such officer's approval of the terms thereof and the approval by the Authority of such terms. Once the Authority and/or THDG or another designee are the only member(s) of the Company, and such transfer has been approved by all relevant lenders and parties with the right to enforce transfer restrictions, the Authorized Officers, and each of them acting alone, are hereby delegated the discretionary authority to cause the Company to transfer the Project to the Authority. Once the Company's interest in the Project is terminated, the Authority shall cause the Company to be unwound and shall cause liquidating distributions to be made by the Company. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf, and as managing member of the Company, as applicable) to execute, deliver and, if applicable, file (or cause to be delivered and/or filed) any and all documents necessary to liquidate and terminate the Company.

Section 6. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf, and as managing member of the Company, as applicable) to execute, deliver and, if applicable, file (or cause to be delivered and/or filed) any affidavits, certificates, letters, documents, agreements, instruments and government forms that such Authorized Officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 7. 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.

Section 8. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may, in such person's absence, be taken by the duly authorized acting Executive Director of the Authority.

Section 9. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

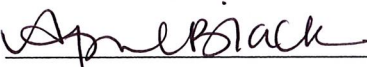
ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting held on October 23, 2024.

HOUSING AUTHORITY OF THE CITY OF
TACOMA



Chair, Board of Commissioners

ATTEST:



Executive Director

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:

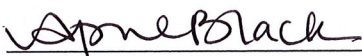
1. That the attached Resolution 2024-10-23(2) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on October 23, 2024 (the "Meeting"), and duly recorded in the minute books of the Authority;

2. That the public was notified of access options for remote participation in the Meeting [via the Authority's website]; and

4. That the Meeting was duly convened, held, and included an opportunity for public comment, in all respects in accordance with law, and to the extent required by law, due and proper notice of the 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 October 23, 2024.

HOUSING AUTHORITY OF THE CITY OF
TACOMA



April Black, Executive Director