

RESOLUTION NO. 1968

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND AUTHORIZING THE EXECUTIVE DIRECTOR TO USE THE RHA HOUSING CORPORATION NON-PROFIT AFFILIATE AS THE MANAGING GENERAL PARTNER TO FACILITATE THE TAX EXEMPT BOND/LOW INCOME HOUSING TAX CREDIT FINANCING TO REHABILITATE FRIENDSHIP MANOR, TRIANGLE COURT, AND NEVIN PLAZA PUBLIC HOUSING SITES AND TO TRANSFER AN AMOUNT NOT TO EXCEED SIX HUNDRED FIFTY THOUSAND DOLLARS (\$650,000.00) FROM HOUSING AUTHORITY RESOURCES TO THE RHA HOUSING CORPORATION FOR PREDEVELOPMENT FINANCING

WHEREAS, in December 2012, the Housing Authority of the City of Richmond (the “Authority”) was selected as a successful recipient of the U.S. Department of Housing and Urban Development (“HUD”) Rental Assistance Demonstration (RAD) Program to implement the conversion of Triangle Court, Friendship Manor and Nevin Plaza Public Housing sites to long term, Project Based Section 8 rental Assisted properties; and

WHEREAS, the assistance is intended to help Public Housing Agencies achieve certain goals that include but may not be limited to preserving and improving its Public Housing Properties with the use of private debt and equity to address immediate and long term capital needs; and

WHEREAS, RAD provides no incremental increase in subsidy, however, it combines existing amounts of subsidy with existing amounts of Capital funding to formulate a rental subsidy for a period of 15-20 years; and

WHEREAS, the RHA has planned to self- develop Triangle Court, Friendship Manor and Nevin Plaza (“the Projects”) by rehabilitating the unit interiors (flooring; kitchen countertops, appliances and cabinets; baths and paint); repairing and upgrading the exterior facades, building systems and roofs; installing green energy star appliances, fixtures and windows; and improving site landscaping; and

WHEREAS, the RHA plans to leverage 4% tax credits/tax exempt bonds and private loans with other RHA soft debt and seller financing; and

WHEREAS, using a Nonprofit affiliate will provide the RHA with a single-purpose entity to act as managing general partner of the tax credit limited partnership that will rehabilitate, own and operate the Projects and will allow the Projects to qualify for tax exemption once transferred to the limited partnership; and

WHEREAS, the RHA has been advised by its Legal Counsel that it can use RHA Housing Corporation, a California nonprofit public benefit corporation, having 501(c)(3) tax exempt status and which was the nonprofit affiliate that was formed by the RHA pursuant to Resolution 1883 in 2004 and will save extensive time and money over having to create an additional entity; and

WHEREAS, RHA Housing Corporation will act through one or more to-be-formed California limited liability companies that will serve as the managing general partner of one or more to-be-formed California limited partnerships, into which the tax credit investor will enter at construction closing; and

WHEREAS, the Authority would need to provide the RHA Housing Corporation with funds to complete actions to develop and refine the project scope, and obtain Land Approvals and other project

thresholds required to submit an application to the California Tax Credit Allocation Committee for 4% credits; and

WHEREAS, the Authority has determined the predevelopment costs for the Projects to be approximately \$650,000:

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, THAT:

- 1.) The Authority is hereby authorized to use the RHA Housing Corporation, a California nonprofit public benefit corporation, to serve in the role of managing general partner through one or more limited liability companies and as the controlling entity of one or more California limited partnership to facilitate the Tax Exempt Bond/Low Income Housing Tax Credit financing to rehabilitate the Triangle Court, Friendship Manor and Nevin Plaza properties.
- 2.) The Authority is authorized to provide and transfer \$650,000 in predevelopment financing from Housing Authority resources to the RHA Housing Corporation for the rehabilitation of the Projects.
- 3.) The Executive Director is hereby authorized to complete any and all necessary documents and take all actions necessary to implement the foregoing resolution.

The foregoing resolution was passed and adopted by the Commissioners of the Housing Authority of the City of Richmond at a special meeting thereof held on June 18, 2013, by the following vote:

AYES: Commissioners Bates, Beckles, Butt, Rogers, Myrick, Vice Chairperson Boozé, Housing Tenant Commissioners Hall, Thompson, and Chairperson McLaughlin.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

GAYLE MCLAUGHLIN

Chairperson

[SEAL]

ATTEST:

DIANE HOLMES

Secretary

Approved as to form:

BRUCE GOODMILLER

Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 1968** finally passed and adopted at a Special Housing Authority Meeting held on June 18, 2013.