

HACSA W.3.d.

MEMORANDUM

AGENDA DATE: May 28, 2008

DATE: May 14, 2008

TO: Board of Commissioners of the Housing and Community Services Agency of Lane County (HACSA)

PRESENTED BY: James R. McCoy, Development Director (HACSA)
Larry Abel, Acting Executive Director (HACSA)

AGENDA ITEM TITLE: ORDER / In the Matter of Authorizing the Executive Director or Deputy Director to Assume 99% Limited Partnership Interest of Housing Outreach Fund in Richardson Bridge Limited Partnership

I. PROPOSED MOTION:

IT IS MOVED:

- (1) THAT THE EXECUTIVE DIRECTOR OR THE DEPUTY DIRECTOR IS AUTHORIZED TO EXECUTE ON BEHALF OF HACSA AN ASSIGNMENT AND ASSUMPTION AGREEMENT WHEREBY HACSA WOULD ACQUIRE, FOR NO MONETARY CONSIDERATION, THE LIMITED PARTNERSHIP INTEREST OF THE HOUSING OUTREACH FUND LIMITED PARTNERSHIP IN RICHARDSON BRIDGE LIMITED PARTNERSHIP;
- (2) THAT THE EXECUTIVE DIRECTOR OR THE DEPUTY DIRECTOR IS AUTHORIZED TO EXECUTE ON BEHALF OF HACSA AN AMENDMENT TO THE FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF RICHARDSON BRIDGE LIMITED PARTNERSHIP AUTHORIZING THE WITHDRAWAL OF THE HOUSING OUTREACH FUND AS THE LIMITED PARTNER OF RICHARDSON BRIDGE LIMITED PARTNERSHIP; AND
- (3) THAT THE EXECUTIVE DIRECTOR OR THE DEPUTY DIRECTOR IS AUTHORIZED TO EXECUTE ON BEHALF OF HACSA SUCH DOCUMENTS AS MAY BE NECESSARY TO EFFECT AN ASSUMPTION BY HACSA OF ANY REMAINING DEBT OF RICHARDSON

BRIDGE LIMITED PARTNERSHIP WITH RESPECT TO THE RICHARDSON BRIDGE PROJECT; AND

(4) THAT THE EXECUTIVE DIRECTOR OR THE DEPUTY DIRECTOR IS AUTHORIZED TO EXECUTE ON BEHALF OF HACSA SUCH DOCUMENTS AS MAY BE APPROPRIATE OR NECESSARY TO EFFECT THE TERMINATION OF RICHARDSON BRIDGE LIMITED PARTNERSHIP.

II. AGENDA ITEM/SUMMARY:

Board action is required to authorize HACSA's acquisition of the Limited Partnership interest in the Richardson Bridge Apartments Limited Partnership.

III. BACKGROUND:

A. Introduction

In 1993, the Richardson Bridge Limited Partnership was created in order to use Low-income Housing Tax Credits (LIHTC) awarded by the State to finance the development of the Richardson Bridge Apartments. Offering 31 multi-family units (7 two-bedroom; 23 three-bedroom), Richardson Bridge was HACSA's first development using the LIHTC program.

Created under the Tax Reform Act of 1986, the LIHTC program provides tax credits for owners and investors in low-income rental housing. An annual tax credit amount is provided for a project each year for 10 years. Low-income housing is created by the tax credit when the developer of a project "sells" the tax credits to an investor or investors who contribute equity to the development in exchange for an ownership position which allows them to use the tax credits and other possible tax and economic benefits arising out of the project. These equity contributions reduce the amount of other financing needed to develop the project.

The original Partnership Agreement negotiated to sell the tax credits contemplated that the Limited Partner would – at the end of the required 15 year compliance period – relinquish its interest to HACSA, thus providing HACSA full ownership of the project assets. That time has arrived and this Board Order authorizes HACSA to carry out the necessary steps to effectuate such a transfer.

B. Analysis

Richardson Bridge has provided safe, decent and affordable housing for Lane County families at affordable rents for over 15 years. If the Board approve assuming full ownership of the project, HACSA will explore refinancing the property to ensure its refurbishment and continued operation as affordable housing for the future.

C. Recommendation

Approval of the proposed Motion. Mr. Doug Blomgren at Batemen Seidel has served as HACSA's legal counsel on LIHTC-related matters has worked with the LP Investors to establish the wording of this motion.

D. Timing

Upon approval of the Order, the Executive Director and/or the Deputy Director will execute the appropriate documents.

IN THE BOARD OF COMMISSIONERS OF THE
HOUSING AND COMMUNITY SERVICES AGENCY
OF LANE COUNTY, OREGON

ORDER

In the Matter of Authorizing the Executive Director or Deputy Director to
Acquire the Limited Partner Interests of Housing Outreach Fund in
Richardson Bridge Limited Partnership.

WHEREAS, the Housing Authority and Community Services Agency (HACSA) was duly formed to
address needs in the community for affordable housing for low-income households; and

WHEREAS, the Housing Authority and Community Services Agency (HACSA) , as general
partner of Richardson Bridge Limited Partnership (the "Partnership"), together with Housing Outreach
Fund Limited Partnership as limited partner, caused the Partnership to develop Richardson Bridge
Apartments;' and

WHEREAS, the Limited Partner wishes to assign, for no consideration, all of its limited
partnership interest in the Partnership to HACSA or an affiliate thereof; and

WHEREAS, by assuming such limited partnership interest, HACSA shall become the direct owner
of Richardson Bridge Apartments consistent with its mission under ORS Chapter 456;

NOW IT IS THEREFORE ORDERED THAT:

- (1) the Executive Director or the Deputy Director is authorized to execute on behalf of
HACSA an assignment and assumption agreement whereby HACSA would acquire, for no
monetary consideration, the limited partnership interest of the Housing Outreach Fund Limited
Partnership in Richardson Bridge Limited Partnership; and
- (2) that the Executive Director or the Deputy Director is authorized to execute on behalf of
HACSA an amendment to the First Amended And Restated Agreement Of Limited Partnership of
Richardson Bridge Limited Partnership authorizing the withdrawal of The Housing Outreach Fund
as the limited partner of Richardson Bridge Limited Partnership; and
- (3) that the Executive Director or the Deputy Director is authorized to execute on behalf of
HACSA such documents as may be necessary to effect an assumption by HACSA of any
remaining debt of Richardson Bridge Limited Partnership with respect to the Richardson Bridge
project; and
- (4) that the Executive Director or the Deputy Director is authorized to execute on behalf of
HACSA such documents as may be appropriate or necessary to effect the termination and
liquidation of Richardson Bridge Limited Partnership in accordance with Oregon law.

DATED this _____ day of _____, 2008

Chair, HACSA Board of Commissioners

In the Matter of Authorizing the Executive Director or Deputy Director to Assume 99% Limited Partnership
Interest of Housing Outreach Fund in Richardson Bridge Limited Partnership