



# **PIERCE COUNTY HOUSING AUTHORITY**

11515 Canyon Road East, Puyallup, WA 98373 | 253-620-5400

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## HOUSING SUCCESSES 501(c)(3)

26 FEBRUARY 2025



**PIERCE COUNTY HOUSING AUTHORITY**

11515 Canyon Road East, Puyallup, WA 98499 | 253-620-5400

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**HOUSING SUCCESSES 501(c)(3)**

**MEETING AGENDA**

**FEBRUARY 26, 2025 – 3:30 PM**

PCHA CAMPUS CONFERENCE ROOM  
11515 CANYON ROAD EAST, PUYALLUP, WA, 98373  
& ONLINE VIA ZOOM

**ROLL CALL**

**MEETING AGENDA**.....

**NEW BUSINESS**

RESOLUTION HS-01 .....

**EXECUTIVE SESSION (IF APPLICABLE)**

The Board may hold an executive session for purposes allowed under the Open Public Meetings Act.

Legal purposes include: to consider acquisition or sale of real estate; to review negotiations of publicly bid contracts; to receive and evaluate complaints or charges brought against a public officer or employee; to evaluate the qualifications of an applicant for public employment; to review the performance of a public employee; and to discuss with legal counsel matters relating to agency enforcement actions, litigation, or potential litigation. Before convening in executive session, the Board Chair will publicly announce the purpose for the executive session and the time when the executive session is expected to conclude.

Under RCW 42.30.110, an executive session may be held for the purpose of receiving and evaluating complaints against or reviewing the qualifications of an applicant for public employment or reviewing the performance of a public employee, consultation with legal counsel regarding agency enforcement actions, or actual or potential agency litigation; considering the sale or acquisition of real estate; and/or reviewing professional negotiations.

**ADJOURNMENT**



## **PIERCE COUNTY HOUSING AUTHORITY**

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### **RESOLUTION HS-01**

TO AUTHORIZE HOUSING SUCCESSES TO PARTICIPATE IN THE  
FORMATION OF AND BECOME THE INITIAL LIMITED PARTNER OF A  
WASHINGTON LIMITED LIABILITY PARTNERSHIP FOR THE CHATEAU  
RAINIER RENOVATION PROJECT

WHEREAS, the Board of Directors (the “Board”) of Housing Successes (“Housing Successes”) has been advised by the Housing Authority of Pierce County (the “Authority”), that the Authority intends to participate in the rehabilitation of a rental housing project known as Chateau Rainier, located in the vicinity of 4600 16<sup>th</sup> Street East, Fife, Washington (the “Project”);

WHEREAS, the total financing for the Project will require the use of various funding sources, including low-income housing tax credits, tax-exempt private activity bonds, and other loans, certain of which sources will require the formation of a limited liability limited partnership to undertake rehabilitation; and

WHEREAS, the Authority has asked Housing Successes to participate in the formation of such limited liability limited partnership, in the capacity as the initial limited partner thereof;

WHEREAS, Housing Successes may determine that it is necessary or desirable and in the best interests of Housing Successes and the Project to participate the financing of the Project in additional capacities; NOW, THEREFORE,

BE IT RESOLVED by the Board that Housing Successes is authorized to participate in the formation of, and become the initial limited partner of a Washington limited liability limited partnership (the “Partnership”) that shall have the primary purposes of acquiring (by ownership or long-term lease), developing, constructing, rehabilitating, equipping, operating, managing the Project. It is understood that the Authority will be a partner of the Partnership.

BE IT FURTHER RESOLVED that Housing Successes may withdraw from the Partnership upon the admission of another limited partner to the Partnership.

BE IT FURTHER RESOLVED by the Board that the President, Vice-President and Secretary of Housing Successes, and each of them acting alone, are hereby directed, and granted the discretionary authority on behalf of Housing Successes, to: (i) determine the form of, execute, deliver, and file (or cause to be executed, delivered, and filed), to the extent required by law, a partnership agreement, a certificate of limited partnership, and all such forms, certificates, applications, and other documents that are necessary to form the Partnership; (ii) determine the name of the Partnership; and (iii) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein, including, but not limited to, any amendment and restatement of the partnership agreement in connection with the admission of another limited partner to the Partnership.



BE IT FURTHER RESOLVED by the Board that Housing Successes is authorized to expend such funds as are necessary to pay for all costs relating to the actions authorized by these resolutions.

BE IT FINALLY RESOLVED by the Board that any actions of Housing Successes or its officers prior to the date hereof and consistent with the terms of these resolutions are ratified and confirmed.

PIERCE COUNTY HOUSING AUTHORITY

By \_\_\_\_\_  
Chair, Board of Commissioners

ATTEST:

\_\_\_\_\_  
Executive Director



## **LIMITED PARTNERSHIP AGREEMENT FOR CHATEAU RAINIER RENOVATION LLLP**

This Limited Partnership Agreement (this “Agreement”) is made as of February 26, 2025, by and between the HOUSING AUTHORITY OF PIERCE COUNTY, a public body corporate and politic of the State of Washington, as General Partner, and HOUSING SUCCESSES, a Washington nonprofit corporation, as the Initial Limited Partner, and those parties who shall hereafter be admitted as Additional Limited Partners (each, a “Partner” and together, the “Partners”).

The above-named parties agree to form a limited liability limited partnership under the Washington Uniform Limited Partnership Act (the “Act”) on the terms and conditions hereinafter set forth.

### **ARTICLE I NAME OF PARTNERSHIP**

The name of the partnership shall be **Chateau Rainier Renovation LLLP** (hereinafter referred to as the “Partnership”).

### **ARTICLE II BUSINESS OF PARTNERSHIP**

The business of the Partnership shall be: (a) to acquire (by ownership or long-term lease), develop, construct, rehabilitate, equip, operate, manage, and maintain a residential rental project known as Chateau Rainier, located in the vicinity of 4600 16<sup>th</sup> Street East, Fife, Washington (the “Project”); (b) in connection with the Project, to buy, take, lease, borrow, purchase or otherwise acquire, and to own, use, hold, sell, convey, exchange, improve, develop, lease, manage, dispose of, pledge or mortgage real or personal property, or any interests therein or any services associated therewith; (c) to obtain financing and refinancing to accomplish the foregoing purposes; and (d) to do any and all other things necessary, desirable or incidental to the foregoing purposes. The Partnership may sell or otherwise dispose of all or substantially all of its assets as provided in this Agreement, and any such sale or disposition shall be considered to be within the scope of the Partnership’s business.

After the initial occupancy of the Project, for so long as the Initial Limited Partner is a Partner and the Partnership owns the Project, the Partnership shall cause (i) at least 75% of the Project’s units to be occupied by residents whose incomes do not exceed 80% of area median gross income (as determined by the U.S. Department of Housing and Urban Development), (ii) at least 40% of the Project’s units to be occupied by residents whose incomes do not exceed 60% of area median gross income (as determined by the U.S. Department of Housing and Urban Development), and (c) no more than 25% of the Project’s units to be provided at market rates to persons who have incomes in excess of 80% of the area median gross income (as determined by the U.S. Department of Housing and Urban Development). For the purposes of this Agreement, a Partner shall not be deemed to have breached a fiduciary duty solely because such Partner acted or failed to act in a



manner intended to maximize profits for the Partnership, or solely because such Partner declined to act in a manner inconsistent with its status as a governmental entity or an organization exempt from federal income tax as described in Section 501(c)(3) of the Internal Revenue Code. For so long as the Initial Limited Partner is a Partner and the Partnership owns the Project, the duty of the Partners to operate the Project in a manner that furthers the Initial Limited Partner's charitable purposes of providing affordable rental housing to low-income families and individuals overrides any duty the Partners may have to operate the Project for the financial benefit of the Partners.

### **ARTICLE III CERTIFICATE OF LIMITED PARTNERSHIP**

The Partners shall immediately execute a certificate of limited partnership (the "Certificate of Limited Partnership") and shall cause such certificate to be filed with the Washington Secretary of State in accordance with RCW 25.10.201 and Article 2 of Chapter 23.95 of the Uniform Business Organizations Code under the Revised Code of Washington. Such amended certificates as may be required by the laws of the State of Washington shall be executed and filed by the Partners as necessary.

### **ARTICLE IV PRINCIPAL OFFICE; AGENT FOR SERVICE OR PROCESS**

The principal office of the Partnership shall be located at 11515 Canyon Road E, Puyallup, Washington 98373, and at such other place or places as may be agreed upon by the Partners. The Partnership's agent for service of process shall be the Housing Authority of Pierce County, whose business address 11515 Canyon Road E, Puyallup, Washington 98373.

### **ARTICLE V TERM**

5.1 Effective Date. This Agreement shall be effective as of the date first above written; provided, however, that the Partnership shall not be formed under the Act and the Partnership's term shall not commence until the later of (a) the date that a Partner files the Partnership's Certificate of Limited Partnership in the office of the Washington Secretary of State and (b) the date on which all the Partners shall have executed a copy of this Agreement.

5.2 Duration; Dissolution. The Partnership shall have perpetual duration, unless it is dissolved. The Partnership shall dissolve upon the first to occur of the following dates and events:

- (a) The written consent of all the Partners;
- (b) The entry of a decree of judicial dissolution under the Act by a court of competent jurisdiction;
- (c) Administrative dissolution under the Act; or
- (d) The sale of all or substantially all the Partnership property.



5.3 Continuation. If the Housing Authority of Pierce County ceases to be the Partnership's general partner for any reason and there is no remaining or surviving general partner, admission of a new general partner and a decision to continue the Partnership's business must be approved by a majority vote of the Limited Partners (as defined below). Expenses relating to the Partnership's continuation shall constitute Partnership expenses.

## **ARTICLE VI CONTRIBUTIONS OF PARTNERS**

6.1 General Partner's Contributions. The General Partner's total contributions to the Partnership shall be equal to \$1.

6.2 Initial Limited Partner. The Initial Limited Partner's contribution shall be \$99. Upon the admission of one or more Additional Limited Partners pursuant to Section 6.3, the Initial Limited Partner shall withdraw from the Partnership and shall be entitled to receive a return of its contribution without interest. Notwithstanding the foregoing, in the event the Partnership has taxable income in any year that is allocated to the Initial Limited Partner, the Initial Limited Partner shall receive during such year a distribution from the Partnership in amount equal to the Initial Limited Partner's tax liability.

6.3 Additional Limited Partners. The General Partner is authorized to admit additional limited partners to the Partnership (each, an "Additional Limited Partner" and, collectively, the "Additional Limited Partners"). The contributions of the Additional Limited Partners may be in the form of cash and/or a note. The manner of offering additional limited partnership interests and the terms and conditions thereof shall be as determined by the General Partner and shall be consistent with applicable laws and regulations.

6.4 Additional Contributions. Except as set forth in this Article VI, a Partner shall not be required to make any contribution or otherwise advance funds to the Partnership. A Limited Partner shall not be personally liable for payment or performance of any Partnership obligation, except to the extent that a Partner may be required to return a distribution to the Partnership under the Act.

6.5 No Interest on Capital. The Partnership shall not pay to any Partner interest on any contribution or on undistributed or reinvested profits.

6.6 Withdrawals and Return of Capital. A Partner shall not have the right to demand return of any contribution or to withdraw any other portion of Partnership capital. If the Partnership assets remaining after the payment or discharge of Partnership expenses are insufficient to return any Partner's total contributions, the Partner shall have no recourse against any of the other Partners or against the Partnership.

## **ARTICLE VII ALLOCATIONS OF PROFITS AND LOSSES**

Profits and losses for any year shall be allocated 99.99 percent to the Initial Limited Partner and 0.01 percent to the General Partner. Upon admission of Additional Limited Partners the



allocations of profit and losses among the Partners shall be adjusted to reflect the fair market value of such Additional Limited Partners' capital contributions at the time of such admissions.

## **ARTICLE VIII DUTIES AND RIGHTS OF GENERAL PARTNER**

8.1 Control in General Partner. The General Partner shall have exclusive control over the Partnership's business and shall have all the rights, powers, and authority generally conferred by law or necessary, advisable, or consistent with accomplishing the Partnership's purposes. Without limiting the generality of the foregoing, the General Partner shall have the right:

- (a) To acquire, hold, sell, lease, exchange, or convey real and personal property or any interest therein on the Partnership's behalf upon such terms as it deems advisable;
- (b) To borrow money on the Partnership's behalf and to mortgage or otherwise encumber Partnership property upon such terms as it may deem necessary or advisable;
- (c) To prepay (in whole or in part), refinance, increase, modify, or extend any agreement, note, lease, mortgage, deed of trust, or other obligation affecting Partnership property;
- (d) To delegate duties to and employ from time to time, at the Partnership's expense, any persons necessary or advisable for the management and operation of the Partnership's business, including property managers, on-site personnel, insurance brokers, leasing agents, real estate consultants, accountants, attorneys, architects, and engineers, on terms and for compensation as are reasonable and customary for similar services;
- (e) To pay all Partnership expenses;
- (f) To make or decline to make any tax elections that the Partnership is entitled to make, upon advice of counsel or the accountant for the Partnership only;
- (g) To negotiate, enter into, and execute notes, deeds, deeds of trust, contracts, leases, joint venture or partnership agreements, assignments, and other instruments and to take any other actions necessary or desirable on the Partnership's behalf in connection with any of the rights of the General Partner set forth in this Section 8.1;
- (h) To enter into any sales, agency, or dealer agreements and escrow agreements with respect to the sale of additional limited partnership interests and to provide for the distribution of such interests by the Partnership through a fund or underwriters or otherwise;
- (i) To admit Additional Limited Partners to the Partnership in accordance with Section 6.3; and
- (j) To take any other action incidental to any of the foregoing or for the purposes of the Partnership.





8.2 Limitations on General Partner's Authority. Without the consent of the Initial Limited Partner (which consent shall not be unreasonably withheld), the General Partner shall not have authority to:

- (a) Do any act in contravention of this Agreement;
- (b) Do any act in contravention of the mortgages and the loan documents related to the Partnership's property, any regulatory agreements, or any other documents recorded against the Partnership property;
- (c) File any voluntary petition for the Partnership under the federal Bankruptcy Act, or seek the protection of any other federal or state bankruptcy or insolvency law or debtor relief statute, without a majority vote; or
- (d) Confess a judgment against the Partnership.

8.3 Compensation; Reimbursement. The total compensation payable to the General Partner for its services as General Partner shall be as determined from time to time by agreement of the Partners. The Partnership shall reimburse the General Partner for all of the General Partner's out-of-pocket expenses reasonably incurred in furtherance of the Partnership's purposes.

8.4 General Partner's Obligation to Operate Partnership Property for Low-Income Persons. The General Partner shall operate the residential units of the Partnership property in accordance with the terms of the mortgages and any lender documents related to the Partnership property, all applicable statutes, rules, and regulations with respect to the Partnership property, the low-income housing tax credits, all regulatory agreements, declaration of restrictive covenants with respect to the low-income housing, and any other documents recorded against the Partnership property.

8.5 Reports to Government Agencies. The General Partner shall furnish or cause to be furnished information regarding the Partnership property (a) reasonably requested from time to time by those government agencies and other entities that provide financing to the Partnership and (b) required under the low-income housing tax credit program.

## **ARTICLE IX RIGHTS OF LIMITED PARTNERS**

9.1 Approval. The Initial Limited Partner and any Additional Limited Partners (each, a "Limited Partner" and, collectively, the "Limited Partners") shall not participate in the control of the Partnership's business. The Limited Partners shall not have the right to vote on any matters except as specifically provided in the Act and in Sections 8.2 and 9.2 of this Agreement.

9.2 Removal of General Partner.

(a) The Limited Partners may, upon unanimous consent of all Limited Partners, remove the General Partner only for fraud, gross negligence, or material misconduct that has a substantial adverse financial effect upon the Limited Partners.



(b) In the event the Limited Partners vote to remove the General Partner pursuant to this Section 9.2, the Limited Partners shall notify the General Partner in writing, within five days after such vote, of the default that is the cause for the removal of the General Partner. The General Partner shall have 30 days from receipt of the notice to cure the default; provided, however, that if a default, other than a monetary default, cannot be reasonably cured within 30 days, it shall be sufficient if the General Partner commences the cure within 30 days and proceeds to cure diligently thereafter. If the General Partner fails to cure within the specified time period, the Limited Partners shall notify the General Partner of the effective date of its removal promptly after the cure period has expired.

## **ARTICLE X ACCOUNTING**

10.1 Books of Account to Be Kept. At all times during the continuance of the Partnership, it is agreed that good and accurate books of account shall be kept. Such books shall be balanced and closed at the end of each fiscal year and at any other time upon reasonable request of the General Partner.

10.2 Method of Accounting. All accounts of the Partnership shall be kept on an accrual basis. All matters of accounting for which there is no provision in this Agreement are to be governed by generally accepted methods of accounting.

10.3 Fiscal Year Basis. The profits and losses of the Partnership and its books of account shall be maintained on a fiscal year basis ending on December 31 of each year.

10.4 Place Where Books to Be Kept, Inspection. The Partnership books of account shall be kept at the principal place of business of the Partnership and shall be open for inspection by any Partner at all reasonable times.

## **ARTICLE XI AMENDMENTS**

This Agreement may be amended at any time by a vote of the Partners holding a majority of interest in the Partnership. Notwithstanding the foregoing, no amendment that increases any Partner's obligations under this Agreement or under the Act shall be effective without such Partner's consent. This Agreement shall be amended and restated upon admission of one or more Additional Limited Partners pursuant to Section 6.3 to reflect the terms and conditions for their admission as such terms and conditions are negotiated and agreed to by the General Partner.

## **ARTICLE XII BINDING EFFECT OF AGREEMENT**

This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors, and assigns.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GENERAL PARTNER:

HOUSING AUTHORITY OF PIERCE COUNTY,  
a public body corporate and politic of the State of  
Washington

PIERCE COUNTY HOUSING AUTHORITY

By \_\_\_\_\_  
Chair, Board of Commissioners

ATTEST:

\_\_\_\_\_  
Executive Director

INITIAL LIMITED PARTNER:

HOUSING SUCCESSES, a Washington nonprofit  
corporation

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_



## CERTIFICATION

I, \_\_\_\_\_, Secretary of the Board of Directors of Housing Successes, do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution duly adopted by the Board of Directors of Housing Successes (the “**Board**”), at a meeting of the Board duly and regularly called, noticed, and held on \_\_\_\_\_, 2025, at which meeting a quorum of the Directors was present and a majority of the Directors present voted in favor of said resolutions; that said resolutions are now in full force and effect; that there is no provision in the Articles of Incorporation or Bylaws of Housing Successes limiting the power of the Board to adopt the foregoing resolutions, and that such resolutions are in conformity with the provisions of such Articles of Incorporation and Bylaws.

\_\_\_\_\_  
Secretary