

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF COMMISSIONERS OF THE
KING COUNTY HOUSING AUTHORITY**

April 10, 2014

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was called to order at 3:00 pm on Thursday, April 10, 2014 at the King County Housing Authority's Administrative Offices, 600 Andover Park West, Tukwila, Washington.

II. ROLL CALL

Present telephonically: Commissioner Doug Barnes, Chair; Commissioner Michael Brown, Vice-Chair; Commissioner Susan Palmer, Commissioner Richard Mitchell

Excused: Commissioner TerryLynn Stewart

Staff: Stephen Norman, Connie Davis, Tim Walter, Dan Watson, Beth Pearson and Marianne Everett

Guest: Bill Goodwin (telephonically)

III. PUBLIC COMMENT

Chair Barnes asked if there was public comment for the special meeting. There was no public comment. Chair Barnes asked if 24 hour notice had been given for the special meeting. The reply was affirmative.

IV. RESOLUTION FOR DISCUSSION

Resolution No. 5463: Authorizing the Executive Director to Enter into a Contract to Acquire Gilman Square Apartments through a Negotiated Sale in Lieu of Condemnation Presented by: Tim Walter

In November 2013 the Board adopted Resolution No. 5450 which authorized the Executive Director to pursue the acquisition of the Gilman Square Apartments by negotiated sale in lieu of condemnation.

Because of restrictions associated with the owner's existing financing, the owner cannot prepay its loan without a significant defeasance obligation. Fortunately, and after lengthy negotiations, the owner has recently decided to pay at its sole expense all costs associated with defeasing the loan which will permit the sale of the property to KCHA, since KCHA is effectively barred from assuming the existing loan. This will allow the

property to be transferred to KCHA free and clear of any underlying lien or encumbrances.

In order for the owner to call the loan and commence the pre-payment of the note, the owner has required KCHA to waive any contingencies associated with its acquisition of the property and commit \$750,000 in earnest money in exchange for the owner's agreement to sell the property to KCHA. Commitment of the earnest money provides assurance to the seller of KCHA's obligation to close as the earnest money is non-refundable in the event the sale does not close for any reason other than a default on the part of the seller. Since KCHA has completed its due diligence of the property, staff believes this is a reasonable condition of the sale.

KCHA is in the process of securing a line of credit with Bank of America to finance the acquisition, but does not yet have a written commitment from Bank of America. If, in the unlikely event the Bank of America facility fails to come to fruition, KCHA has several backup financing plans, which were reviewed with the Commissioners.

Mr. Walter, Ms. Davis and Mr. Goodwin answered all questions posed by the Board of Commissioners.

MOTION: Moved that Resolution No. 5463: Authorizing the Executive Director to Enter into a Contract to Acquire Gilman Square Apartments through a negotiated Sale in Lieu of Condemnation, be approved.

MOVED BY: Commissioner Brown, seconded by Commissioner Palmer. Motion unanimously passed.

V. ADJOURNMENT

There being no further business the special meeting was officially adjourned at 3:36 pm by a motion from Commissioner Palmer, seconded by Commissioner Brown and unanimously passed.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON



FOR

DOUGLAS J. BARNES, Chair
Board of Commissioners



STEPHEN J. NORMAN
Secretary