



SPECIAL MEETING OF THE BOARD OF COMMISSIONERS

July 21, 2014, 8:30 am

Joe Thomas Community Room - Wiley Center
9800 8th Avenue SW
Seattle, WA 98106

A G E N D A

- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes** - Board Meeting Minutes from June 16, 2014 **1**
- V. Approval of Agenda**
- VI. Consent Agenda**
 - A. Voucher Certification Report for May 2014 (General and Bond Properties) **2**
 - B. Resolution No. 5474: Authorizing the Transfer of Windsor Heights Project to the Authority Through the Acquisition of the Leasehold Interest of KCHA-Seatac Limited Partnership And/Or the Acquisition of the Interests of the Limited Partner of the Partnership by the Authority, the Assignment and Assumption by the Authority of the Obligations of the Partnership with Respect to the Project and Bonds Issued to Finance the Project, and Determining Related Matters **3**
 - C. Resolution No. 5475: Joint Interlocal Agreement for Research Services with Tacoma, Portland and Seattle Housing Authorities **4**
- VII. Resolutions for Discussion and Possible Action**
 - A. Resolution No. 5476: Authorizing the Disposition of Greenbridge West Bulk Parcel 3 by Negotiated Sale to BDR Homes, LLC **5**
 - B. Resolution No. 5477: Authorizing the Executive Director of the Housing Authority of the County of King to Approve, Execute and Deliver all Documents relating to the Vantage Point Rental Housing Project, including but not limited to Limited Liability Company Documents, Line of Credit Documents, Housing Authority Loan Documents and HUD Documents **6**

VIII. Briefings & Reports

- A. New Bank Accounts 7
- B. Second Quarter Write-Offs 8
- C. Quarterly Procurement Report 9
- D. Risk Management and Insurance Presentation 10
- E. Executive Director's Report

IX. Executive Session

- A. To review the performance of a public employee per RCW 42.30110(g)

X. Commissioner Comments

XI. Recess for Moving King County Forward (MKCRF) Board Meeting

XII. Reconvene at Conclusion of Moving King County Forward Board Meeting

XIII. Tour of BDR building site (803 SW 96th Place, Seattle, WA 98106) and West Bulk Parcel 3 (Intersection of 10th Ave SW and SW 97th Place, Seattle, WA 98106)

XIV. Adjournment

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator, Jessica Olives, in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1194 prior to the meeting date.

Next Regular Board Meeting Date:
Monday, August 18, 2014

Amended July 17, 2014

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

June 16, 2014

I. CALL TO ORDER

The meeting of the Board of Commissioners of the King County Housing Authority was called to order by Commissioner Doug Barnes at 8:30 a.m. on Monday, June 16, 2014, at the King County Housing Authority's Administrative Offices (Snoqualmie Room), 700 Andover Park West, Tukwila, Washington.

II. ROLL CALL

Present: Commissioner Doug Barnes, Chair; Commissioner Susan Palmer, Commissioner Richard Mitchell and Commissioner TerryLynn Stewart

Staff: Stephen Norman, Connie Davis, Rhonda Rosenberg, Mike Reilly, Bill Cook, Claude DaCorsi, Sean Heron, Jessica Olives, John Eliason, Megan Hyla, Kristin Winkel, Wen Xu, Linda Weedman, Tim Locke, Beth Pearson, Katie Fries, Mike Siv-ia, Lance Dragoo, Dan Landes, Steve Jefferis, Nikki Parrott, Marianne Everett, Dan Watson, Tim Walter, Craig Violante, Donna Kimbrough

Excused: Commissioner Michael Brown

Guests: Lillie Clinton

III. PUBLIC COMMENT

Chair Barnes announced that members of the public in attendance at the meeting would have five minutes to speak before the Board of Commissioners.

Lillie Clinton commented on the audio complications and difficulties hearing Commissioner's and speakers at times.

Commissioner Barnes requested to move the Briefing on Vantage Point Apartments, to be heard following a short recess that would be called after Commissioner Comments, in order to conduct a site visit of the proposed Vantage Point Apartments construction area.

On motion by Commissioner Mitchell, seconded by Commissioner Palmer, which motion duly carried by unanimous vote, the KCHA Board of Commissioners approved the June 16, 2014 meeting agenda as amended by the Chair.

IV. APPROVAL OF MINUTES

On motion by Commissioner Palmer, seconded by Commissioner Stewart, which motion duly carried by unanimous vote, the Board approved the minutes from the Board of Commissioner's meeting of May 19, 2014.

V. CONSENT AGENDA

April 2014 Voucher Reports

On motion by Commissioner Palmer, seconded by Commissioner Stewart, which motion was duly carried by unanimous vote, the Board approved the 2014 April Voucher Report.

Resolution No. 5471: Authorizing Investment of Housing Authority of the County of King Monies in the Local Government Investment Pool

On motion by Commissioner Palmer, seconded by Commissioner Stewart, which motion was duly carried by unanimous vote, the Board approved Resolution No. 5471 as follows:

Adopted Resolution No. 5471 to authorize the investment of Housing Authority of the County of King monies in the Local Government Investment Pool.

Resolution No. 5472: Authorizing the Executive Director to enter into an Inter-Local Agreement with the Grays Harbor County Housing Authority for Financial Consulting Services.

On motion by Commissioner Palmer, seconded by Commissioner Stewart, which motion was duly carried by unanimous vote, the Board approved Resolution No. 5472 as follows:

Adopted Resolution No. 5472 to authorize the Executive Director to enter into an Inter-Local Agreement with the Grays Harbor County Housing Authority for Financial Consulting Services.

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5474: Authorizing Mid-Year Amendment for 2014 Operating and Capital Budget.

Craig Violante, Director of Finance, briefed the Board of Commissioners on Resolution No. 5474, which will authorize an Amendment to the Mid-Year 2014 Operating and Capital Budget. Mr. Violante described budget adjustment highlights

and staff's recommendation for the adjustment as a result of unanticipated revenue from the passage of a final federal budget for the year 2014.

All questions raised by the Commissioners were satisfactorily addressed by staff.

On motion by Commissioner Mitchell, seconded by Commissioner Stewart, which motion was duly carried by unanimous vote, the Board approved Resolution No. 5474 as follows:

Adopted Resolution No. 5474 to Authorize a Mid-Year Amendment for the King County Housing Authority 2014 Operating and Capital Budget.

VII. FINANCIAL BRIEFING

Craig Violante, Director of Finance, briefed the Board on one new checking account to cover expenses for the development of the Vantage Point Senior Apartments.

VIII. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman, Executive Director, provided an update on the Moving To Work (MTW) contract extension, BDR Housing and Greenbridge projects.

Mr. Norman also addressed questions about the proposed benefit charge for the North Highline Fire District.

IX. NEW BUSINESS

The Commissioners discussed setting a Board Retreat date in October 2014 and potential Board Retreat agenda items.

X. EXECUTIVE SESSION

Chair Barnes called for an Executive Session at 9:26 AM for approximately fifteen minutes as authorized by RCW 42.30.110(g) – "to review the performance of a public employee."

On motion by Commissioner Mitchell, seconded by Commissioner Palmer, which motion was duly carried by unanimous vote, the Board held an Executive Session.

The meeting of the Board of Commissioners was reconvened at 9:43 AM by Chair Barnes. No action was taken by the Board as a result of the Executive Session.

XI. BRIEFING

Vantage Point Apartments

Chair Barnes announced a recess at 9:44 AM in order for the Commissioners to conduct a visit to the site of the proposed Vantage Point Senior Apartment development.

On motion by Commissioner Mitchell, seconded by Commissioner Stewart, which motion was duly carried by unanimous vote, the Board recessed the meeting.

The meeting was reconvened at 10:15 AM. Dan Watson, Chief Development Officer, and Tim Walter, Senior Director of Acquisitions and Asset Management briefed the Board on the Vantage Point Apartment project.

All questions raised by the Commissioners were satisfactorily addressed by staff.

XII. ADJOURNMENT

On motion by Commissioner Stewart, seconded by Commissioner Mitchell, which motion was duly carried by unanimous vote, the Board adjourned the meeting at 10:42 AM.

**THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON**

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary


**KING COUNTY HOUSING AUTHORITY
INTEROFFICE MEMORANDUM**

TO: THE BOARD OF COMMISSIONERS, HOUSING AUTHORITY OF
THE COUNTY OF KING, WASHINGTON

FROM: LINDA RILEY

SUBJECT: VOUCHER CERTIFICATION FOR MAY 2014

I, Linda Riley, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims represented by the vouchers listed below were just obligations of the Housing Authority of the County of King, and that I am authorized to authenticate and certify said claims.


Linda Riley
Controller
June 20, 2014

Bank Wires / ACH Withdrawals	2,836,696.33
<i>Subtotal</i>	<u>2,836,696.33</u>
Accounts Payable Vouchers	
Checks - #241234-#241872	4,097,839.95
<i>Subtotal</i>	<u>4,097,839.95</u>
Payroll Vouchers	
Checks - #83205-#83245	33,587.08
Direct Deposit	1,169,570.27
<i>Subtotal</i>	<u>1,203,157.35</u>
Section 8 Program Vouchers	
Checks - #604708-#605147	255,082.52
ACH - #273332-#276626	9,470,936.28
<i>Subtotal</i>	<u>9,726,018.80</u>
Purchase Card / ACH Withdrawal	199,837.05
<i>Subtotal</i>	<u>199,837.05</u>
GRAND TOTAL	<u>18,063,549.48</u>

TO: THE BOARD OF COMMISSIONERS, HOUSING AUTHORITY OF
THE COUNTY OF KING, WASHINGTON

FROM: Wen Xu

SUBJECT: VOUCHER CERTIFICATION FOR MAY 2014

I, Wen Xu, do hereby certify under penalty of perjury that the claims represented by the transactions below were just, due, and unpaid obligations against the Housing Authority, and that I, and my designees, are authorized to authenticate and certify said claims.

Wen Xu
Director, Managed Assets
June 10, 2014

Property	Withdrawals per Bank Statement		Funds Requested for Operations		Balance
May-14	Date	\$	\$	Details	\$
Bellepark East	5/1/2014	\$ 16,500.63	\$ 16,500.63	A/P & Payroll	\$ -
	5/8/2014	\$ 3,565.91	\$ 3,565.91	A/P	\$ -
	5/12/2014	\$ 200,000.00	\$ 200,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 31,423.55	\$ 31,423.55	A/P & Payroll	\$ -
	5/22/2014	\$ 10,728.50	\$ 10,728.50	A/P	\$ -
	5/29/2014	\$ 15,211.37	\$ 15,211.37	A/P & Payroll	\$ -
Colonial Gardens	5/1/2014	\$ 18,193.09	\$ 18,193.09	A/P & Payroll	\$ -
	5/12/2014	\$ 100,000.00	\$ 100,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 11,955.11	\$ 11,955.11	A/P & Payroll	\$ -
	5/22/2014	\$ 4,877.94	\$ 4,877.94	A/P	\$ -
	5/29/2014	\$ 15,613.67	\$ 15,613.67	A/P & Payroll	\$ -
Cottonwood	5/1/2014	\$ 11,424.73	\$ 11,424.73	A/P & Payroll	\$ -
	5/8/2014	\$ 3,323.95	\$ 3,323.95	A/P	\$ -
	5/12/2014	\$ 75,000.00	\$ 75,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 13,961.52	\$ 13,961.52	A/P & Payroll	\$ -
	5/22/2014	\$ 24,673.90	\$ 24,673.90	A/P	\$ -
	5/29/2014	\$ 18,320.34	\$ 18,320.34	A/P & Payroll	\$ -
Cove East	5/1/2014	\$ 23,880.91	\$ 23,880.91	A/P & Payroll	\$ -
	5/8/2014	\$ 2,639.79	\$ 2,639.79	A/P	\$ -
	5/12/2014	\$ 200,000.00	\$ 200,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 22,663.58	\$ 22,663.58	A/P & Payroll	\$ -
	5/22/2014	\$ 7,626.28	\$ 7,626.28	A/P	\$ -
	5/29/2014	\$ 30,556.49	\$ 30,556.49	A/P & Payroll	\$ -
Landmark	5/1/2014	\$ 1,335.56	\$ 1,335.56	Debt Service	\$ -
	5/1/2014	\$ 27,014.03	\$ 27,014.03	A/P & Payroll	\$ -
	5/8/2014	\$ 4,073.03	\$ 4,073.03	A/P	\$ -
	5/15/2014	\$ 25,207.95	\$ 25,207.95	A/P & Payroll	\$ -
	5/22/2014	\$ 49,865.58	\$ 49,865.58	A/P	\$ -
	5/29/2014	\$ 101,296.85	\$ 101,296.85	Debt Service	\$ -
	5/29/2014	\$ 28,189.85	\$ 28,189.85	A/P & Payroll	\$ -
	5/29/2014	\$ 203,574.02	\$ 203,574.02	Debt Service	\$ -
Timberwood	5/1/2014	\$ 38,286.26	\$ 38,286.26	A/P & Payroll	\$ -
	5/8/2014	\$ 8,206.51	\$ 8,206.51	A/P	\$ -
	5/12/2014	\$ 300,000.00	\$ 300,000.00	Excess Cash to KCHA	\$ -
	5/12/2014	\$ 200,000.00	\$ 200,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 58,478.63	\$ 58,478.63	A/P & Payroll	\$ -
	5/22/2014	\$ 9,193.74	\$ 9,193.74	A/P	\$ -
	5/29/2014	\$ 30,470.17	\$ 30,470.17	A/P & Payroll	\$ -
Woodland North	5/1/2014	\$ 14,506.56	\$ 14,506.56	A/P & Payroll	\$ -
	5/8/2014	\$ 4,815.19	\$ 4,815.19	A/P	\$ -
	5/15/2014	\$ 12,532.33	\$ 12,532.33	A/P & Payroll	\$ -
	5/22/2014	\$ 8,073.73	\$ 8,073.73	A/P	\$ -
	5/29/2014	\$ 11,343.93	\$ 11,343.93	A/P & Payroll	\$ -
Woodside East	5/1/2014	\$ 28,506.53	\$ 28,506.53	A/P & Payroll	\$ -
	5/8/2014	\$ 5,675.98	\$ 5,675.98	A/P	\$ -
	5/12/2014	\$ 300,000.00	\$ 300,000.00	Excess Cash to KCHA	\$ -
	5/12/2014	\$ 100,000.00	\$ 100,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 28,471.58	\$ 28,471.58	A/P & Payroll	\$ -
	5/22/2014	\$ 41,777.47	\$ 41,777.47	A/P	\$ -
	5/29/2014	\$ 26,101.39	\$ 26,101.39	A/P & Payroll	\$ -
Alpine Ridge	5/1/2014	\$ 1,768.00	\$ 1,768.00	Management Fee	\$ -
	5/8/2014	\$ 2,403.30	\$ 2,403.30	Payroll	\$ -
	5/12/2014	\$ 47,000.00	\$ 47,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 1,454.79	\$ 1,454.79	A/P	\$ -
	5/22/2014	\$ 2,669.16	\$ 2,669.16	Payroll	\$ -
	5/29/2014	\$ 7,666.54	\$ 7,666.54	A/P MF OCR	\$ -
Aspen Ridge	5/1/2014	\$ 2,667.00	\$ 2,667.00	Management Fee	\$ -
	5/8/2014	\$ 3,712.51	\$ 3,712.51	Payroll	\$ -
	5/12/2014	\$ 50,000.00	\$ 50,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 5,353.99	\$ 5,353.99	A/P	\$ -
	5/22/2014	\$ 3,893.98	\$ 3,893.98	Payroll	\$ -
	5/29/2014	\$ 27,849.52	\$ 27,849.52	A/P MF OCR	\$ -
Auburn Square	5/1/2014	\$ 4,644.00	\$ 4,644.00	Management Fee	\$ -
	5/8/2014	\$ 9,741.31	\$ 9,741.31	Payroll	\$ -
	5/12/2014	\$ 100,000.00	\$ 100,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 26,714.25	\$ 26,714.25	A/P	\$ -
	5/22/2014	\$ 7,862.11	\$ 7,862.11	Payroll	\$ -
	5/29/2014	\$ 10,050.10	\$ 10,050.10	A/P MF OCR	\$ -
Carriage House	5/1/2014	\$ 4,730.00	\$ 4,730.00	Management Fee	\$ -
	5/8/2014	\$ 17,249.84	\$ 17,249.84	Payroll & A/P	\$ -
	5/12/2014	\$ 200,000.00	\$ 200,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 14,663.84	\$ 14,663.84	A/P	\$ -
	5/22/2014	\$ 10,440.36	\$ 10,440.36	Payroll	\$ -
	5/29/2014	\$ 38,778.88	\$ 38,778.88	A/P MF OCR	\$ -

Cascadian	5/1/2014	\$ 7,692.00	\$ 7,692.00	Maangement Fee	\$ -
	5/8/2014	\$ 10,504.22	\$ 10,504.22	Payroll	\$ -
	5/12/2014	\$ 253,000.00	\$ 253,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 52,080.71	\$ 52,080.71	A/P	\$ -
	5/22/2014	\$ 12,099.82	\$ 12,099.82	Payroll	\$ -
	5/29/2014	\$ 65,858.99	\$ 65,858.99	A/P. MF. OCR	\$ -
Fairwood	5/1/2014	\$ 5,527.00	\$ 5,527.00	Management Fee	\$ -
	5/8/2014	\$ 8,455.91	\$ 8,455.91	Payroll	\$ -
	5/12/2014	\$ 142,000.00	\$ 142,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 13,220.84	\$ 13,220.84	A/P	\$ -
	5/22/2014	\$ 8,965.01	\$ 8,965.01	Payroll	\$ -
	5/29/2014	\$ 42,403.53	\$ 42,403.53	A/P. MF. OCR	\$ -
Heritage Park	5/1/2014	\$ 3,104.00	\$ 3,104.00	Management Fee	\$ -
	5/8/2014	\$ 4,688.11	\$ 4,688.11	Payroll	\$ -
	5/12/2014	\$ 28,000.00	\$ 28,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 4,470.42	\$ 4,470.42	A/P	\$ -
	5/22/2014	\$ 4,891.06	\$ 4,891.06	Payroll	\$ -
	5/29/2014	\$ 23,214.52	\$ 23,214.52	A/P. MF. OCR	\$ -
Laurelwood	5/1/2014	\$ 3,645.00	\$ 3,645.00	Management Fee	\$ -
	5/8/2014	\$ 5,050.35	\$ 5,050.35	Payroll	\$ -
	5/12/2014	\$ 50,000.00	\$ 50,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 16,602.19	\$ 16,602.19	A/P	\$ -
	5/22/2014	\$ 4,765.40	\$ 4,765.40	Payroll	\$ -
	5/29/2014	\$ 11,871.37	\$ 11,871.37	A/P. MF. OCR	\$ -
Meadows	5/1/2014	\$ 2,386.00	\$ 2,386.00	Management Fee	\$ -
	5/8/2014	\$ 5,352.32	\$ 5,352.32	Payroll	\$ -
	5/12/2014	\$ 25,000.00	\$ 25,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 15,644.74	\$ 15,644.74	A/P	\$ -
	May statement cut off on 5/15		\$ 5,395.09	Payroll	\$ (5,395.09)
			\$ 8,990.17	A/P. MF. OCR	\$ (8,990.17)
Newporter	5/1/2014	\$ 4,607.00	\$ 4,607.00	Management Fee	\$ -
	5/8/2014	\$ 7,750.49	\$ 7,750.49	Payroll	\$ -
	5/12/2014	\$ 300,000.00	\$ 300,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 8,052.69	\$ 8,052.69	A/P	\$ -
	5/22/2014	\$ 7,849.39	\$ 7,849.39	Payroll	\$ -
	5/29/2014	\$ 29,317.79	\$ 29,317.79	A/P. MF. OCR	\$ -
Parkwood	5/1/2014	\$ 2,948.00	\$ 2,948.00	Management Fee	\$ -
	5/8/2014	\$ 4,626.17	\$ 4,626.17	Payroll	\$ -
	5/12/2014	\$ 150,000.00	\$ 150,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 20,200.64	\$ 20,200.64	A/P	\$ -
	5/22/2014	\$ 4,916.80	\$ 4,916.80	Payroll	\$ -
	5/29/2014	\$ 13,607.27	\$ 13,607.27	A/P. MF. OCR	\$ -
Walnut Park	5/1/2014	\$ 5,908.00	\$ 5,908.00	Management Fee	\$ -
	5/8/2014	\$ 5,318.68	\$ 5,318.68	Payroll	\$ -
	5/12/2014	\$ 200,000.00	\$ 200,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 51,804.43	\$ 51,804.43	A/P	\$ -
	5/22/2014	\$ 4,961.32	\$ 4,961.32	Payroll	\$ -
	5/29/2014	\$ 9,210.91	\$ 9,210.91	A/P. MF. OCR	\$ -
Woodridge Park	5/1/2014	\$ 5,902.00	\$ 5,902.00	Management Fee	\$ -
	5/8/2014	\$ 12,287.45	\$ 12,287.45	Payroll	\$ -
	5/12/2014	\$ 62,000.00	\$ 62,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 39,873.76	\$ 39,873.76	A/P	\$ -
	5/22/2014	\$ 11,162.97	\$ 11,162.97	Payroll	\$ -
	5/29/2014	\$ 29,906.02	\$ 29,906.02	A/P. MF. OCR	\$ -
Bellevue Manor	5/13/2014	\$ 24,029.96	\$ 24,029.96	A/P	\$ -
	5/29/2014	\$ 3,154.14	\$ 3,154.14	Payroll	\$ -
Charter House	5/13/2014	\$ 5,540.33	\$ 5,540.33	A/P	\$ -
	5/29/2014	\$ 1,962.42	\$ 1,962.46	Payroll	\$ (0.04)
Northwood Square	5/13/2014	\$ 4,147.14	\$ 4,147.14	A/P	\$ -
	5/29/2014	\$ 1,776.23	\$ 1,776.23	Payroll	\$ -
Patricia Manor	5/13/2014	\$ 12,371.32	\$ 12,371.32	A/P	\$ -
	5/29/2014	\$ 2,906.55	\$ 2,906.55	Payroll	\$ -
Vashon Terrace	5/8/2014	\$ 831.00	\$ 831.00	To Security Deposit	\$ -
	5/13/2014	\$ 6,420.39	\$ 6,420.39	A/P	\$ -
	5/29/2014	\$ 1,883.88	\$ 1,883.88	Payroll	\$ -
Rainier View I	5/8/2014	\$ 15,803.10	\$ 15,803.10	A/P	\$ -
	5/21/2014	\$ 14,109.95	\$ 14,109.95	A/P	\$ -
Rainier View II	5/8/2014	\$ 9,575.68	\$ 9,575.68	A/P	\$ -
	5/21/2014	\$ 7,171.44	\$ 7,171.44	A/P	\$ -
Si View	5/8/2014	\$ 5,456.18	\$ 5,456.18	A/P	\$ -
	5/21/2014	\$ 9,257.03	\$ 9,257.03	A/P	\$ -
Meadowbrook	5/1/2014	\$ 27,280.61	\$ 27,280.61	A/P	\$ -
	5/8/2014	\$ 17,650.57	\$ 17,650.57	A/P	\$ -
	5/12/2014	\$ 50,000.00	\$ 50,000.00	Excess Cash to KCHA	\$ -
	5/15/2014	\$ 8,288.07	\$ 8,288.07	A/P	\$ -
	5/22/2014	\$ 10,380.63	\$ 10,380.63	A/P	\$ -
Portfolio Totals:		\$ 5,193,153.52	\$ 5,207,538.82		\$ (14,385.30)

Withdrawals Per Bank	\$5,193,153.52
Funds Requested for Operations	\$5,207,538.82
Balance	-\$14,385.30

\$14,385.26 off due to Meadows bank statement cut off date and complete report not available on CashPro. \$0.04 off due to Charter House short fund.



To: Board of Commissioners

From: Tim Walter, Senior Director of Development and Asset Management

Date: July 18, 2014

Re: Resolution No. 5474: Authorizing the Transfer of the Windsor Heights Project to the Authority Through the Acquisition of the Leasehold Interest of KCHA-Seatac Limited Partnership And/Or the Acquisition of the Interests of the Limited Partner of the Partnership by the Authority, the Assignment and Assumption by the Authority of the Obligations of the Partnership with Respect to the Project and Bonds Issued to Finance the Project, and Determining Related Matters

The attached resolution authorizes the Executive Director to take all actions necessary for KCHA to acquire the investor limited partner's and special limited partner's interests in the KCHA–Seatac Limited Partnership that currently owns the Windsor Heights Development. KCHA is the sole general partner in this tax credit limited partnership

Windsor Heights is a 324 unit workforce housing development adjacent to Sea-Tac airport that was acquired and rehabilitated by KCHA in 1999. KCHA utilized the low-income tax credit program (LIHTC) as well as county and state funding to finance the transaction. As part of the tax credit structure, the ownership of the property was placed in the hands of the tax credit investor, PNC Multifamily Capital, through the KCHA-Seatac Limited Partnership. As the general partner, KCHA manages the day to day operations of the property through a third party fee manager. Windsor Heights is one of three properties in KCHA's workforce housing portfolio where Southwest Youth and Family Services (formerly New Futures) provides educational and youth programming.

The tax credit model is structured to pass through tax credits and tax deductions to passive investors in exchange for their investment of capital into affordable housing. The tax credits benefits are generally distributed over a 10 to 15 year window. The basic assumption is that once the primary investment return has been realized the investor will deed the property over to the non-profit general partner.

The investor in the KCHA-Seatac Limited Partnership is an investment fund managed by the tax credit syndicator, PNC Multifamily Capital. The proposed structure of the transfer of the property to KCHA is consistent with the terms of

KCHA Board

Resolution No. 5474 Winsor Heights LP Acquisition

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KCHA's prior transactions with PNC, where KCHA has simply assumed all outstanding debt and incurred no other costs other than normal transaction and closing costs. Subject to the approval of the Board of Commissioners, KCHA anticipates the transfer to occur on or around October 1, 2014.

KCHA currently serves or has served as the managing general partner or managing member of 25 different tax credit partnerships and limited liability companies. The tax credit equity has been an invaluable tool without which the Housing Authority would not have been able to develop most of the housing it has developed or redeveloped over the last 20 years.

KCHA has successfully acquired the limited partnership's interests in eight other tax credit projects.

Passage of the resolution is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5474

(Limited Partnership Exit Resolution – Windsor Heights)

A RESOLUTION of the Housing Authority of the County of King (the “Authority”) authorizing (i) the transfer of Windsor Heights project (the “Project”) to the Authority through the acquisition of the leasehold interest of KCHA-Seatac Limited Partnership, a Washington limited partnership (the “Partnership”) in the Project by the Authority and/or the acquisition of the interests of the limited partner of the Partnership by the Authority; (ii) the submission to the Washington State Housing Finance Commission of a request for consent to transfer the Project; (iii) the assignment and assumption by the Authority of the obligations of the Partnership with respect to the Project and bonds issued to finance the Project; and (iv) the approval, execution and delivery of all documents necessary to effectuate the foregoing; and determining related matters.

WHEREAS, the Housing Authority of the County of King (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington; and

WHEREAS, RCW 35.82.070(2) provides that a housing authority may, among other things, “prepare, carry out, acquire, lease and operate housing projects;” and

WHEREAS, RCW 35.82.020 defines “housing project” to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income;” and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, and if certain conditions are met, “own, hold, and improve real or personal property” and “sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;” and

WHEREAS, RCW 35.82.080(1) provides that a housing authority may, among other things, “make and execute contracts and other instruments, . . . necessary or convenient to the exercise of the powers of the authority;” and

WHEREAS, the Authority is the general partner of KCHA-Seatac Limited Partnership, a Washington limited partnership (the “Partnership”), and Columbia Housing/PNC Institutional Fund I Limited Partnership, a Massachusetts limited partnership (“Investment Limited Partner”), and Columbia Housing SLP Corporation, an Oregon corporation (“Special Limited Partner,” together with Investment Limited Partner, collectively, the “Limited Partner”) is the limited partner; and

WHEREAS, the Authority is the fee owner of the real property located at 17229 32nd Avenue S., SeaTac, King County, Washington (the “Property”), and pursuant to the terms of a Financing Lease between the Authority and the Partnership dated as of August 1, 1998 (the “Lease”), the Partnership has a leasehold interest in that certain 326-unit multi-family apartment complex located on the Property now commonly known as Windsor Heights and previously known as the Continental Court Apartments and the Sunset Village Apartments (the “Project”), which was financed in part with low income housing tax credits (“LIHTC”) and proceeds of the Authority’s Revenue Bonds, 1998 (SeaTac Housing Preservation Project) (the “Bonds”):

WHEREAS, the Project has been operating as “qualified low income housing” pursuant to Section 42 of the Internal Revenue Service Code (“Code”) and, as such, the Partnership has been receiving LIHTC during the 15-year compliance period pursuant to the Code (“Compliance Period”); and

WHEREAS, the Compliance Period for the Project has or will soon expire; and

WHEREAS, the Authority desires to own the Project and continue its operation as affordable low income housing; and

WHEREAS, the Authority has determined that the Limited Partner has or will soon have received all of the tax and other economic benefits originally anticipated by such Limited Partner, and the Limited Partner is expected to be willing to transfer its interest in the Partnership (the “Limited Partnership Interests”) to the Authority; and it is in the best interest of the Authority to acquire such Limited Partnership Interests and/or to acquire the Partnership’s leasehold interest in the Project; and

WHEREAS, the Authority, in its own capacity and as general partner of the Partnership, desires to take such steps as are reasonably necessary to acquire the leasehold interest of the Partnership in the Project and/or to acquire the Limited Partnership Interests, for consideration of the assumption of the debt encumbering the Project, including the Bonds (the “Debt”); and

WHEREAS, the Authority, in its own capacity and as general partner of the Partnership, desires to take such steps as are reasonably necessary to obtain consents necessary to effect the Authority’s assumption of the Debt, and to negotiate, execute and deliver such documents as may be required in connection with the foregoing, including, without limitation, any loan assumption documents; and

WHEREAS, the Washington State Housing Finance Commission (“Commission”) must approve the transfer of the Project from the Partnership to the Authority; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING as follows:

Section 1. Approval of Transfer of Leasehold Interest and/or Limited Partnership Interests. The Authority, in its own capacity and as general partner of the Partnership, is

authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the transfer of the leasehold interest in the Project from the Partnership to the Authority or, in the alternative, to acquire the Limited Partnership Interests with respect to the Partnership, and to negotiate, execute, and deliver such documents as may be reasonably required to effectuate such transfer.

Section 2. Authorization of Assignment and Assumption. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps as may be necessary or desirable for (1) the Authority to assume all of the Partnership's obligations with respect to the Debt, including, without limitation, the Partnership's obligations under any financing lease, hazardous substances agreement, continuing disclosure agreement, and any other document executed in connection with the applicable series of Bonds (the "Bond Documents"); and (2) the Partnership to assign to the Authority all of its rights and obligations under the Bond Documents. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps as may be necessary or desirable to obtain consent of the lenders of the Debt, the trustee for the Bonds, King County, Washington, as a provider of credit enhancement for the Bonds, or other necessary parties, and to negotiate, execute and deliver such documents as may be required of such parties in connection with the foregoing, including, without limitation, any loan assumption documents.

Section 3. Lease and Bond Document Amendments. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to make any amendments to the financing lease or the other Bond Documents as may be necessary or desirable in connection with the transaction contemplated by this resolution.

Section 4. Commission Approval. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps as may be necessary to obtain the Commission's approval of the transfer of the Project from the Partnership to the Authority, and to negotiate, execute and deliver such documents as may be required by the Commission in connection with the foregoing, including, without limitation, submitting a request to the Commission for the Commission's consent to transfer the Project from the Partnership to the Authority, and paying any transfer fee required by the Commission.

Section 5. Documents to be Executed by Executive Director. Any and all documents contemplated by this resolution which are authorized to be executed by or on behalf of the Authority, in its own capacity or as general partner of a Partnership, are authorized to be executed by the Executive Director of the Authority.

Section 6. Governmental Filings; Other Agreements. The Executive Director is further authorized to execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority, in its own capacity and as general partner of the Partnership, any government forms, affidavits, certificates, letters, documents, agreements and instruments that he determines to be necessary or advisable to give effect to this resolution and to consummate the transaction contemplated herein.

Section 7. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person be taken by a Deputy Executive Director of the Authority.

Section 8. Expenditures. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to make any reasonable expenditures,

including, but not limited to, attorney's fees and costs necessary or required in conjunction with actions authorized by this resolution.

Section 9. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 10. 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 County of King at an open public meeting this 21st day of July, 2014.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:

Stephen J. Norman, Secretary

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and Executive Director of the Housing Authority of the County of King (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached copy of Resolution No. 5474 (the "Resolution") is a full, 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 July 21, 2014, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's office at 600 Andover Park W., Tukwila, Washington 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. That such meeting was duly convened and held in all respects in accordance with law; 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 this 21st day of July, 2014.

Stephen Norman, Secretary and Executive Director
of the Authority

CERTIFICATE

APPENDIX 1

COPY OF SPECIAL MEETING NOTICE

APPENDIX I



SPECIAL MEETING OF THE BOARD OF COMMISSIONERS

July 21, 2014, 8:30 am

Joe Thomas Community Room - Wiley Center
9800 8th Avenue SW
Seattle, WA 98106

A G E N D A

- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes** - Board Meeting Minutes from June 16, 2014 **1**
- V. Approval of Agenda**
- VI. Consent Agenda**
 - A. Voucher Certification Report for May 2014 (General and Bond Properties) **2**
 - B. Resolution No. 5474: Authorizing the Transfer of Windsor Heights Project to the Authority Through the Acquisition of the Leasehold Interest of KCHA-Seatac Limited Partnership And/Or the Acquisition of the Interests of the Limited Partner of the Partnership by the Authority, the Assignment and Assumption by the Authority of the Obligations of the Partnership with Respect to the Project and Bonds Issued to Finance the Project, and Determining Related Matters **3**
 - C. Resolution No. 5475: Joint Interlocal Agreement for Research Services with Tacoma, Portland and Seattle Housing Authorities **4**
- VII. Resolutions for Discussion and Possible Action**
 - A. Resolution No. 5476: Authorizing the Disposition of Greenbridge West Bulk Parcel 3 by Negotiated Sale to BDR Homes, LLC **5**
 - B. Resolution No. 5477: Authorizing the Executive Director of the Housing Authority of the County of King to Approve, Execute and Deliver all Documents relating to the Vantage Point Rental Housing Project, including but not limited to Limited Liability Company Documents, Line of Credit Documents, Housing Authority Loan Documents and HUD Documents **6**

VIII. Briefings & Reports

- A. New Bank Accounts 7
- B. Second Quarter Write-Offs 8
- C. Quarterly Procurement Report 9
- D. Risk Management and Insurance Presentation 10
- E. Executive Director's Report

IX. Executive Session

- A. To review the performance of a public employee per RCW 42.30110(g)

X. Commissioner Comments

XI. Recess for Moving King County Forward (MKCRF) Board Meeting

XII. Reconvene at Conclusion of Moving King County Forward Board Meeting

XIII. Tour of BDR building site (803 SW 96th Place, Seattle, WA 98106) and West Bulk Parcel 3 (Intersection of 10th Ave SW and SW 97th Place, Seattle, WA 98106)

XIV. Adjournment

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator, Jessica Olives, in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1194 prior to the meeting date.

Next Regular Board Meeting Date:
Monday, August 18, 2014

Amended July 17, 2014



To: Board of Commissioners

From: Megan Hyla, Director of Policy and Intergovernmental Affairs

Date: July 18, 2014

Re: Resolution No. 5475: Joint Interlocal Agreement for Research Services with the Seattle, Portland and Tacoma Housing Authorities

Background

The King County Housing Authority (KCHA), the Seattle Housing Authority, Home Forward (formerly the Portland Housing Authority), and the Tacoma Housing Authority wish to enter into an Interlocal/Intergovernmental Agreement that will allow them to jointly procure and manage a contract that may be used to:

1. Review social science research literature and compile background data on a wide array of topics pertinent to their work that will be used to inform program and policy decisions;
2. Assist with the design of programs and policies;
3. Evaluate program and policy outcomes; and
4. Secure ongoing funding to cover the cost of these services and program implementation.

The contract resulting from this joint procurement, will enable KCHA and the other Housing Authorities to have at their disposal a consultant to perform third party research and evaluation services of any of its programs or policies, if so desired.

KCHA anticipates that it may jointly engage the selected consultant in research and evaluation activities related to its various Moving to Work activities. However, KCHA is in no way obligated to use the chosen consultant for these services or pay for services that will not be of benefit.

Recommendation

Passage of the resolution is recommended.

INTERLOCAL/INTERGOVERNMENTAL AGREEMENT

by and among

**HOUSING AUTHORITY OF THE CITY OF TACOMA,
HOUSING AUTHORITY OF THE COUNTY OF KING,
HOUSING AUTHORITY OF THE CITY OF SEATTLE,
and
HOME FORWARD**
concerning

their collaboration to procure and use services for (i) review of social science literature and data; (ii) advice regarding program or policy design; (iii) program evaluation; (iv) identification of funding sources and fundraising; and (v) such other services as the Parties may agree.

The following parties enter this Interlocal/Intergovernmental Agreement (“Agreement”):

Housing Authority of the City of Tacoma (“THA”)
Housing Authority of the County of King (“KCHA”)
Housing Authority of the City of Seattle (“SHA”)

each of which is a public body corporate and politic of the State of Washington, and

Home Forward, which is a public body corporate and politic of the State of Oregon

(collectively, the “Parties”). In consideration of the mutual covenants contained in the Agreement, the Parties agree as follows:

SECTION 1. RECITALS

1.1 THA, KCHA and SHA are housing authorities created pursuant to chapter 35.82 of the Revised Code of Washington (the “Washington Housing Authorities Act”) and “public agencies” within the meaning of RCW 39.34.020. HOME FORWARD is a housing authority created pursuant to Oregon Revised Statutes 456.055 through 456.235 (the “Oregon Housing Authorities Act”) and a “public agency” within the meaning of ORS 190.410.

1.2 The Parties wish to collaborate to obtain the following services (i) review of social science literature and data; (ii) advice regarding program or policy design; (iii) program evaluation; (iv) identification of funding sources and fundraising; and (v) such other services as the Parties may agree (collectively, the “Services”).

1.3 RCW 35.82.070 authorizes housing authorities created pursuant to the Washington Housing Authorities Act to “make and execute contracts and other instruments” including, without limitation, to “arrange or contract for the furnishing by an person or agency,

public or private, of services, privileges, works, or facilities for, or in connection with, a housing project or the occupants thereof”.

1.4 ORS 456.120 authorizes housing authorities created pursuant to the Oregon Housing Authorities Act to “make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority” including, without limitation, to “arrange or contract for the furnishing by any person or agency, public or private, of services, privileges, works or facilities for, or in connection with, a housing project or the occupants thereof”.

1.5 RCW 39.34.030 provides that “[a]ny power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having the power or powers, privilege or authority, and jointly with any public agency of any other state ... to the extent that laws of such other state ... permit such joint exercise or enjoyment”.

1.6 ORS 190.420 provides that “[a]ny power or powers, privileges or authority exercised or capable of exercise by a public agency in this state may be exercised and enjoyed jointly with any public agency in another state to the extent that the laws of the other state permit such joint exercise or enjoyment”.

1.7 The Board of Commissioners of each of the Parties has adopted a resolution authorizing the execution of this Agreement.

SECTION 2. PURPOSE

The purpose of this Agreement is to describe the terms and conditions under which the Parties will cooperate in order to seek, select, and obtain the Services.

SECTION 3. SELECTION AND USE OF SERVICE PROVIDERS

3.1 Request for Proposals.

The Parties shall cooperate in the distribution of one or more Requests for Proposals (collectively, the “RFP”) seeking one or more organizations to provide the Services. THA will have primary responsibility for managing the RFP and selecting the respondent(s). It will use its procurement policy for this purpose.

3.2 Selection of Service Providers

Each Party will designate an individual (“Authorized Representative”) to participate in the committee to review and assess responses to the RFP and select a service provider or providers from among the respondents to the RFP. A party may decline to participate. The parties shall make good faith efforts to agree on the selection. Unless the parties agree on an alternative method, the Committee shall make its selection by averaging and compiling the point scores of its members.

3.3 Contract with Service Provider

THA shall be primarily responsible for negotiating the contract with the selected service provider(s), in consultation with the other parties. Each party shall sign the final contract.

3.4 Use and Payment of Service Providers

Any Party or Parties may request that a selected provider (a “Service Provider”) perform Services of the type described in the RFP. In connection with each request for Services, the requesting Party or Parties will enter into a letter of engagement (“LOE”) with the Service Provider, setting forth the: (a) scope of work and work product, (b) schedule for performance, and (c) fee schedule and estimated or fixed cost based upon the fees and costs set forth in the contract. Each Party separately entering into an LOE with a Service Provider will be solely responsible for the payment of fees and costs under that LOE. When multiple Parties enter into a single LOE with a Service Provider, such Parties shall split the costs evenly unless the LOE directs a different split.

3.5 Ownership of Work Product

Each Party separately entering into an LOE with a Service Provider will be the sole owner of work product prepared pursuant to that LOE. When multiple Parties enter into a single LOE with a Service Provider, such Parties shall have a joint ownership of the work product unless the LOE directs a different ownership.

SECTION 4. Miscellaneous.

4.1 Term of Agreement.

This Agreement shall take effect as of the date first written above and shall be terminated in accordance with [Section 4.2] below.

4.2 Termination

This Agreement may be terminated upon mutual agreement of each of the Parties, in which event the termination shall be effective at any time established by mutual agreement. In addition, any Party may provide written notice to each of the other Parties that it intends to withdraw, in which event such Party shall no longer be subject to this Agreement as of the time specified in such notice of withdrawal. A withdrawing party, however, will still be required to meet any financial obligations to which it had committed under this agreement prior to the termination. So long as at least two Parties remain subject to this Agreement, this Agreement shall remain in full force and effect with respect to the remaining Parties, notwithstanding the withdrawal of any other Party.

4.3 Notices

All notices required to be in writing shall be given using the notice addresses in this section. A Party may designate a different notice address by providing written notice to the other Party. Email notification is adequate for these purposes if to an email address of the then current executive director. The email addresses below are for the present executive directors.

If to THA:
Housing Authority of the City of Tacoma
902 South L Street
Tacoma, Washington 98405-4037
Attention: Executive Director
mmirra@tacomahousing.org

If to KCHA:
Housing Authority of the County of King
600 Andover Park W.
Tukwila, Washington 98188
Attention: Executive Director
stephenn@kcha.org

If to SHA:
Housing Authority of the City of Seattle
190 Queen Anne Avenue North
Seattle, Washington 98109
Attention: Executive Director
alofton@seattlehousing.org

If to HOME FORWARD:
Home Forward
135 SW Ash Street
Portland, Oregon 97204
Attention: Executive Director
Steve.Rudman@homeforward.org

4.4 Severability

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

4.5 Applicable Law and Venue

This Agreement shall be governed by the laws of the State of Washington. The venue for any legal action arising from a dispute under this Agreement is the Superior Court for Pierce County, Washington.

4.6 Entire Agreement/Modification

This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior negotiations or discussions with respect thereto. This Agreement may be amended or modified by written instrument signed by the Parties hereto.

4.7 Assignment

No Party to this Agreement may assign its rights or obligations hereunder.

4.8 Interlocal Cooperation Act Provisions

The parties do not intend to establish a separate legal entity to conduct this cooperative undertaking. The Executive Director of THA is appointed as the administrator responsible for administering the joint undertaking set forth in this Agreement. No special or joint budget or funds are anticipated, nor shall any be created. Each Party is responsible for its own finances in connection with this Agreement, and nothing in this Agreement shall be deemed or construed otherwise. Except as otherwise described in [Section 3.4], the Parties do not intend to acquire, hold, or dispose of any real or personal property pursuant to this Agreement.

4.9 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which taken together shall constitute but one and the same instrument.

4.10 Filing Requirements

Upon execution of this Agreement, SHA, KCHA and THA, shall file a copy of this agreement as RCW 39.34.040 directs.

HOUSING AUTHORITY OF THE CITY
OF TACOMA

By: _____
Michael Mirra, Executive Director

HOUSING AUTHORITY OF THE
COUNTY OF KING

By: _____
Stephen J. Norman, Executive Director

HOUSING AUTHORITY OF THE CITY
OF SEATTLE

By: _____
Andrew J. Lofton, Executive Director

HOME FORWARD

By: _____
Steven D. Rudman, Executive Director

Housing Authority of the County of King

RESOLUTION NO. 5475

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King approving the terms of an interlocal agreement and authorizing and directing the Executive Director of the Housing Authority of the County of King to enter into that agreement and carry out its terms.

ADOPTED: July 21, 2014

This document was prepared by:

*FOSTER PEPPER PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
(206) 447-4400*

Housing Authority of the County of King

RESOLUTION NO. 5475

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King, approving the terms of an interlocal agreement and authorizing and directing the Executive Director of the Housing Authority of the County of King to enter into that agreement and carry out its terms.

WHEREAS, RCW 35.82.070 authorizes housing authorities to “make and execute contracts and other instruments” including, without limitation, to “arrange or contract for the furnishing by an person or agency, public or private, of services, privileges, works, or facilities for, or in connection with, a housing project or the occupants thereof; and

WHEREAS, RCW 39.34.030 provides that “[a]ny power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having the power or powers, privilege or authority, and jointly with any public agency of any other state ... to the extent that laws of such other state ... permit such joint exercise or enjoyment; and

WHEREAS, the Board of Commissioners of the Housing Authority of the County of King has determined that it is in the best interest of the Authority to enter into an interlocal agreement with the Housing Authority of the City of Tacoma, the Housing Authority of the City of Seattle and Home Forward to collaborate in obtaining the following services: (1) review of social science literature and data; (2) advice regarding program or policy design; (3) program evaluation; (4) identification of funding sources and fundraising; and (v) such other services as the parties may agree; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING as follows:

Section 1. Authorization of Interlocal Agreement and Execution Thereof. The Board of Commissioners of the Authority approves the Interlocal Agreement in substantially the form attached hereto as Exhibit A (the “Interlocal Agreement”), and authorizes and directs the Executive Director of the Authority to execute and deliver the Interlocal Agreement on behalf of the Authority and to delivery and carry out the terms of the Interlocal Agreement on behalf of the Authority.

Section 2. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in his absence be taken by the duly authorized acting Deputy Executive Director of the Authority.

Section 3. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 4. 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 County of King at an open public meeting thereof this 21st day of July, 2014.

[HOUSING AUTHORITY OF THE COUNTY OF KING]

By _____
Chair, Board of Commissioners

ATTEST:

[Executive Director]

Exhibit A
Form of Interlocal Agreement

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and Executive Director of the Housing Authority of the County of King (the “Authority”) and keeper of the records of the Authority, CERTIFY:

1. That the attached copy of Resolution No. 5475 (the “Resolution”) is a full, 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 July 21, 2014, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority’s website and prominently displayed at the main entrance of the Authority’s office at 600 Andover Park W., Tukwila, Washington 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. That such meeting was duly convened and held in all respects in accordance with law; 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 this 21st day of July, 2014.

Stephen Norman, Secretary and Executive Director
of the Authority

APPENDIX I



SPECIAL MEETING OF THE BOARD OF COMMISSIONERS

July 21, 2014, 8:30 am

Joe Thomas Community Room - Wiley Center
9800 8th Avenue SW
Seattle, WA 98106

A G E N D A

- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes** - Board Meeting Minutes from June 16, 2014 **1**
- V. Approval of Agenda**
- VI. Consent Agenda**
 - A. Voucher Certification Report for May 2014 (General and Bond Properties) **2**
 - B. Resolution No. 5474: Authorizing the Transfer of Windsor Heights Project to the Authority Through the Acquisition of the Leasehold Interest of KCHA-Seatac Limited Partnership And/Or the Acquisition of the Interests of the Limited Partner of the Partnership by the Authority, the Assignment and Assumption by the Authority of the Obligations of the Partnership with Respect to the Project and Bonds Issued to Finance the Project, and Determining Related Matters **3**
 - C. Resolution No. 5475: Joint Interlocal Agreement for Research Services with Tacoma, Portland and Seattle Housing Authorities **4**
- VII. Resolutions for Discussion and Possible Action**
 - A. Resolution No. 5476: Authorizing the Disposition of Greenbridge West Bulk Parcel 3 by Negotiated Sale to BDR Homes, LLC **5**
 - B. Resolution No. 5477: Authorizing the Executive Director of the Housing Authority of the County of King to Approve, Execute and Deliver all Documents relating to the Vantage Point Rental Housing Project, including but not limited to Limited Liability Company Documents, Line of Credit Documents, Housing Authority Loan Documents and HUD Documents **6**

VIII. Briefings & Reports

- A. New Bank Accounts 7
- B. Second Quarter Write-Offs 8
- C. Quarterly Procurement Report 9
- D. Risk Management and Insurance Presentation 10
- E. Executive Director's Report

IX. Executive Session

- A. To review the performance of a public employee per RCW 42.30110(g)

X. Commissioner Comments

XI. Recess for Moving King County Forward (MKCRF) Board Meeting

XII. Reconvene at Conclusion of Moving King County Forward Board Meeting

XIII. Tour of BDR building site (803 SW 96th Place, Seattle, WA 98106) and West Bulk Parcel 3 (Intersection of 10th Ave SW and SW 97th Place, Seattle, WA 98106)

XIV. Adjournment

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator, Jessica Olives, in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1194 prior to the meeting date.

Next Regular Board Meeting Date:
Monday, August 18, 2014

Amended July 17, 2014



TO: Board of Commissioners

From: John Eliason, Development Manager

Date: July 17, 2014

Re: **Resolution No. 5476:** Authorizing the Disposition of Greenbridge West Bulk Parcel 3 by Negotiated Sale to BDR Homes, LLC

Resolution No. 5476 authorizes the Executive Director to enter into a purchase and sale agreement to sell the Greenbridge West Bulk Parcel 3 (see attached map) to BDR Homes, LLC for construction and sale of market rate, attached and detached homes. The resolution authorizes the sale of this land to BDR on substantially the same terms outlined in a non-binding Letter of Intent (LOI) dated June 11, 2014 (attached). The proposed sale of the parcel is consistent with Resolution No. 4099, which was passed by the Board of Commissioners on April 11, 2005, authorizing the disposition of all vacant land at Greenbridge.

Disposition Process

KCHA offered 49 finished lots and Greenbridge West Bulk Parcel 3 (Parcels Z-1, Z-2 and Z-3) for sale on March 30, 2010 in a land offering that was sent to home builders in the area. Proposals were due any time after April 30, 2010. On May 24, 2010 Polygon Northwest submitted a proposal for all of the lots and land being offered. Polygon was the only respondent to the offering at the time. An agreement was entered into with Polygon which was subsequently terminated by the buyer during the feasibility period.

In April 2012 BDR Homes, LLC submitted a non-binding Letter of Intent (LOI) for the 49 finished lots contained in the original offering but did not make an offer on the bulk parcel at that time. The offer was subsequently approved and executed and BDR Homes, LLC is currently constructing homes on these 49 lots.

Staff received a proposal from Element Residential on August 30, 2013 to purchase West Bulk Parcel 3. Negotiations between the parties resulted in a non-binding LOI dated October 25, 2013 and a purchase and sale agreement dated February 3, 2014 with Element Residential. Unfortunately, Element Residential subsequently lost their financing and the agreement was terminated within the feasibility period.

BDR Homes, LLC Proposal

After termination of the purchase and sale agreement with Element, BDR Homes, LLC submitted an offer on May 23, 2014 to purchase the Greenbridge West Bulk Parcel 3. Unlike previous Greenbridge and Seola Gardens land offerings, the purchaser of this bulk parcel will be required to design, engineer, permit and build the infrastructure necessary to create up to 105 finished building lots in a King County approved final plat before home construction can begin. Design, engineering, plat approval, permitting and construction of the streets, utilities, parks, trails and other infrastructure is estimated to cost approximately \$5 million and will take 16-20 months to complete.

BDR Homes, LLC is a Puget Sound homebuilder with experience in land development that is owned and managed by Todd Bennett. Todd Bennett has been in the homebuilding and land development business for many years and has assembled a strong team of professionals with experience in land development, homebuilding, marketing and finance. KCHA is pleased with the performance of BDR under their current contract to develop homes on the 49 finished lots at Greenbridge. BDR is ahead of schedule, the quality and construction of the new houses meets expectations and BDR has been successful in finding buyers in the market. During preliminary meetings to discuss this new transaction it appears that BDR Homes, LLC has the experience, capability, and capitalization to develop the Greenbridge West Bulk Parcel 3 site and successfully market the new homes.

During the feasibility period, staff will conduct a financial reference check to ensure that BDR Homes, LLC has the financial resources and backing to accomplish the extensive land development work. KCHA can terminate the purchase and sale agreement if BDR is undercapitalized.

Terms of Sale

KCHA has entered into a non-binding LOI to sell Greenbridge West Bulk Parcel 3 for \$4,100,000, with the purchase price paid in cash with 2 closings. The terms of the LOI will be incorporated into a binding Purchase and Sale Agreement. An appraisal for this land was completed in December of 2013 and is valued at \$4,000,000.

The resolution also authorizes the Executive Director to adjust the purchase price by no more than 10% to account for additional costs or credits found during feasibility that were not considered in the appraisal of the land.

The LOI anticipates that a 120 day feasibility period will be written into the Purchase and Sale Agreement with the \$200,000 earnest money deposit becoming nonrefundable at the end of the feasibility period. The first closing of the land sale is planned to occur 30 days following engineering approval of the infrastructure

permit by King County's Department of Permitting and Environmental Review or March 31, 2015, whichever occurs first. The first closing will be for Parcel Z-2 in the amount of \$2,050,000. The second closing is planned to occur on or before September 30, 2015 for Parcels Z-1 and Z-3 in the amount of \$2,050,000.

Profit Participation

KCHA is not recommending a profit participation agreement with BDR Homes, LLC. Developing a profit sharing arrangement seemed impractical due to the fact that the BDR is responsible for subdividing the lots and providing all necessary infrastructure, which includes both increased risk and a longer timeline before any new houses are actually sold and any return on investment is realized.

Risk Assessment

Completion Risk Related to Failure to Create Finished Lots

As with any bulk parcel sale, the timing required for permitting and actual construction and the costs of the infrastructure required to create the finished lots is a very large risk for the developer. Complex permit processing could result in changes to drainage system assumptions or road widths. The permit approvals could take longer than anticipated resulting in delays for the project. Construction costs could increase due to inflation, or the home sale market could deteriorate during the period of delay.

KCHA has identified two closely related risks associated with the land development work that BDR Homes, LLC has agreed to perform:

1. *The land sale doesn't close.* KCHA's contingent risk is that unforeseen costs, County design or approval requirements, or other uncertainties cause the developer to either refuse to waive project feasibility and proceed to closing, or cause them to attempt to negotiate price concessions to offset added cost or risk. Even after the waiver of feasibility the developer could experience unanticipated costs, delays or regulatory obstacles that prevent them from closing on the land sale.
2. *The land sale closes but infrastructure construction stalls or is delayed.* Even after closing the developer could experience cost overruns, unanticipated site conditions, poor weather, construction delays, or a deteriorating home sale market that could stall or delay the completion of the infrastructure work necessary for the creation of finished lots. KCHA's risk would be its association with an uncompleted project within Greenbridge and the complexities of restructuring or remarketing a failed land development project.

KCHA's primary mitigation against completion risk will be BDR's experience in land development and homebuilding and KCHA's special expertise in King County

platting requirements as they relate to Greenbridge. During the feasibility period and prior to closing, KCHA's Greenbridge staff will work closely with BDR, to assist them in understanding King County's plat and plat engineering requirements so that approvals and permits can be obtained on time and with a minimum of unforeseen changes. KCHA will also be holding \$200,000 in earnest money after waiver of feasibility, and after the first closing KCHA will have been paid half of the total purchase price which mitigates most of KCHA's financial risk but does not mitigate completion risk. KCHA will also hold a first right of refusal to buy the land and the incomplete infrastructure back in the event the project stalls so that KCHA, if necessary, can complete the infrastructure project or bring in another home builder to complete the project.

Community Design Risk

Greenbridge West Bulk Parcel 3 slopes to the west which will require some unique lot and home designs to take advantage of the grade changes and territorial views while minimizing lot development and home construction costs. It is expected that up 105 homes will be built, with as many 70% being attached units with many common elements. The site and lot designs will need to be carefully paired with the building design to insure that homes are attractive and marketable.

KCHA's risk is that insuring good, well designed lots and homes is largely left up to the skills and expertise of the developer with no absolute assurance with regard to the appearance, functionality and marketability of the final product. KCHA will have sold the land before the final product is completely unveiled, so KCHA will have to rely in part on the covenants, conditions and restrictions in the recorded plat and on KCHA's design guidelines to insure the final product meets KCHA quality standards. Mitigating this risk, BDR Homes, LLC has extensive experience in matching building designs to unique lot configurations and has demonstrated in their previous projects that good community and building design is essential to insuring strong sales. Recent experience with BDR Homes, LLC at their current 49 finished lot home construction project at Greenbridge is evidence they can meet community design guidelines and successfully sell new market rate homes in White Center.

Low Sales Velocity and Performance Risk

A related risk is that the developer's homes don't sell, sell more slowly than predicted, or sell at much lower prices than anticipated. This will not only delay completion of the project until market conditions improve but will also indicate to other potential homebuilders that the market for new homes in White Center is limited, delaying additional land sales and depressing prices.

This risk is mitigated by selling land to a reputable homebuilder that has extensive experience in the Seattle area market, is currently successfully selling homes at the site, has the necessary experience to design and price homes appropriate for the

White Center market, and who will conduct a strong marketing campaign. KCHA will also hold the first right of refusal allowing KCHA to buy back and remarket undeveloped lots at its option.

Competition between BDR at Greenbridge and Richmond American at Seola Gardens

An additional risk is that sales of BDR homes at Greenbridge may compete with the sales of Richmond American Homes at Seola Gardens, adversely affecting overall sales volume and pricing.

This risk is partially mitigated by offering different product designs in different locations. If the Richmond American Homes at Seola Gardens continue to sell quickly, the sale of the BDR homes on the West bulk parcel may have very little overlap with the Seola Gardens homes due to the time it will take to build the infrastructure improvements and to create finished lots at Greenbridge. Homes offered by Richmond American are on a wider single family lot than is anticipated for the Greenbridge bulk parcel. The wider lots and homes planned for Seola Gardens would appeal to a different market segment and therefore are not expected to compete directly with the BDR Homes, LLC products planned for Greenbridge.

Risks to Owners Association (OA)

Due to the topography of the site and anticipated design characteristics the project will include a significant number of common elements including retaining walls, area drainage systems, common party walls, common building systems and possibly private drives or alleys. While the new public streets will be the responsibility of the County to maintain, the common elements will be the responsibility of the Owners Association (OA) to maintain and repair. The risk that the OA dues or reserves are insufficient to cover these future costs may have an indirect impact on KCHA as the master developer of Greenbridge.

These risks are mitigated by the selection of a developer with expertise and previous experience with similar projects. During the feasibility phase KCHA will review the infrastructure and building plans to ensure that they are in compliance with the Greenbridge Design Guidelines. KCHA will also conduct inspections during construction to verify that the builder is in compliance with the Guidelines. Right of way permits for infrastructure will be reviewed by King County Department of Permitting and Environmental Review (DPER) and King County Department of Transportation. Building permits will be reviewed and inspection of infrastructure and building construction will be conducted by King County DPER. Finally, KCHA will have input on setting the level of the OA dues to ensure that they are sufficient to cover anticipated costs and maintain a sufficient reserve.

Resale Risk

Another risk is market conditions are such that the developer opts to sell the finished lots to other homebuilders. This risk will be mitigated by a contractual requirement that lots that are created cannot be resold to another home builder without KCHA approval. If KCHA approves a sale of finished lots to a third party for more than an agreed upon price, BDR Homes, LLC will pay KCHA 50% of any net increase over a negotiated base price. After KCHA approval, any subsequent buyer must adhere to all the conditions of the original Purchase and Sale Agreement.

Passage of the resolution is recommended.



June 11, 2014

King County Housing Authority
600 Andover Park West
Seattle, WA 98188

RE: LOI – Parcels W1 through W5 of the Greenbridge I Master Plat

This non-binding Letter of Intent sets forth the general terms and conditions which the King County Housing Authority ("KCHA") desire to include in a binding Purchase and Sale Agreement ("REPSA") and related documents with BDR Homes LLC and/or Assigns Residential ("Purchaser") for the described property in the Greenbridge development:

1 Property:	Parcels W1 through W5 of the Greenbridge Division 1 a Master Plat as recorded in King County Washington under recording number 20051108000259.
2 Proposed Development:	Development of up to 105 homes in a mix approximately as follows: 4 Plex 30 to 40% Duplex 30 to 40% Single Family 20 to 30% Purchaser will also build a park to the north of the RD-1 (W2) parcel and complete the trail system across Parcel Z-2.
3 Purchase Price:	\$4,100,000 allocated as follows: Parcel W4 - \$2,050,000 Parcels W1, W3 and W5 - \$2,050,000
4 Earnest Money:	\$200,000 promissory note held in escrow and converted to cash 3 days after the waiver of feasibility and be applied to the first closing.
5 Feasibility Period:	120 days from the date of mutual acceptance of the REPSA or as extended per design and financial review.
6 Closing Date:	The First Closing shall occur 30 days following engineering approval of infrastructure permit from King County DPER or March 31, 2015, whichever occurs first according to the following schedule: First Closing: On or before March 31, 2015 - Parcel W-4 Second Closing: On or before September 30, 2015 Parcels W1, W3 and W5
7 Title/Escrow:	Chicago Title Insurance Company
8 Price Participation:	Purchaser agrees to Price Participation on the sale of homes on purchased lots. A mutually agreeable formula for Price Participation will be finalized within the feasibility period. If a formula for Price Participation is not finalized during the Feasibility Period, the Feasibility Period will be extended on a day for day basis.

9 Additional Terms:

Financing Review and terms:

The entire amount of the purchase must be paid upon closing in all cash. Buyer must submit the following information during feasibility:

- a) Financing plan for land purchase, infrastructure construction and home construction, which must be approved by seller during feasibility (note...Pre-Approval Letter from Sable Financial is enclosed).
- b) List of all developments under construction by the company and principals
- c) Resumes of development team

Design Guidelines: All of Purchaser's infrastructure plans, building plans, site plans, landscaping and improvements must be approved by KCHA based on the Greenbridge Design Guidelines. Purchaser must identify any Greenbridge Design Guideline for which it requests a waiver or modification 45 days from the commencement of the feasibility period. Purchaser shall submit complete design review package 60 days from the commencement of the feasibility period. If purchaser fails to submit a complete design review submission 30 days prior to end of the feasibility period and obtain KCHA approval or, the Feasibility Period will be extended on a day for day basis until a complete submission has been made and KCHA approval based upon design review and other necessary approvals has been obtained.

Requirements During Construction: Seller requires from Purchaser construction plans for haul routes, safety, site utilization, erosion control and traffic. Seller must approve these plans prior to the start of construction. The purpose of these plans is to protect the workers on-site, the residents and the property of the community. Seller will have inspectors that monitor these plans and progress of construction. Violation of these plans could result in fines against the damage deposit posted by Seller. Purchaser acknowledges that all construction activities will occur within the boundaries of the purchased property.

Owner Occupancy Requirement: Purchaser may not lease or rent units and shall sell finished housing units only to parties who agree, as consideration for their purchase of a housing unit, to occupy the housing unit for a minimum of eighteen months, unless such requirement is waived in writing by KCHA. The procedures for compliance with this requirement shall be set forth in the REPSA which will include recording the obligation on title of each home sold.

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Community Association: Purchaser understands that there is a community association for Greenbridge and that the housing units developed on the Property are obligated to join and pay assessments to the Greenbridge Owners Association. A Declaration of Conditions, Covenants and Restrictions for Greenbridge contains a number of requirements and rules applicable to the Property. Monthly assessments shall commence when vertical construction commences on each lot.

Related Documents: As master developer, KCHA has recorded several Declarations (including CC&R's) to be reflected in the title report. Permitted exceptions will be listed in the REPSA and further identified during review of title reports.

Damage Deposit: Purchaser shall post a damage deposit in the amount of \$30,000. The cash deposit will be paid to Seller at the 1st closing. The damage deposit will cover damage to KCHA constructed improvements in Greenbridge. Purchaser is still financially responsible to repair any and all damage caused by Purchaser or Purchaser's contractors to Seller installed improvements.

Lot Resale: Lots purchased by Purchaser may not be resold without KCHA approval and any net proceeds in excess of the respective purchase price plus land improvement costs, from such approved sale shall be shared 50% to 50% with KCHA.

Land/Infrastructure Buy Back:

KCHA will have the right but not the obligation, to buy back the land, assume financial and contractual obligations in the case of default of the developer, the terms of which will be detailed in the purchase and sale agreement.

As is-Where is: Purchaser shall rely on its own due diligence review of the Property, including its own consultants and advisors and their studies and reports, subject to the standard representations and warranties to be contained in the PSA. Except as set forth in the PSA, it is expressly understood and agreed that Purchaser's acquisition is "as-is, where-is."

If the terms of this letter of intent are acceptable, please indicate your acceptance by signing below and returning this letter to the undersigned no later than 4:00 pm on the 5th business day after the date of this letter. This letter of intent expires and is null and void if not signed and returned by that date.

This letter of intent is not binding on either party and merely identifies the basic terms and conditions of a proposed Purchase and Sale agreement between the parties. Until such time as a Purchase and Sale


Agreement is executed by the parties, the parties agree that KCHA has no obligation to sell and Purchaser has no obligation to buy the Property.

The parties agree to negotiate, in good faith, with the goal of reaching agreement on a Purchase and Sale Agreement, to be executed no later than 30 days after this letter is signed. Once this letter is fully signed, KCHA will direct its legal counsel to prepare a draft Purchase and Sale Agreement and related documents within 10 business days for your review. Purchaser acknowledges that final approval of a Purchase and Sale Agreement requires approval of KCHA's Board of Directors. KCHA will endeavor to obtain such approval as promptly as possible.

The parties further acknowledge that KCHA must obtain approval of HUD before closing on the sale of any of the Properties. KCHA will diligently pursue such approval. KCHA does not anticipate that obtaining such approval will be a problem, but in the event that KCHA is unable to obtain HUD approval of this transaction, Purchaser shall be entitled to a refund of all Earnest Money Deposits, regardless of any other provision in this Letter of Intent.

We look forward to working on this transaction towards a successful purchase of the property.

KING COUNTY HOUSING AUTHORITY


By: Stephen Norman
Its: Executive Director

BDR HOMES LLC


By: Todd Bennett
Its: Business Manager

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Greenbridge West Bulk Parcel 3

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5476

**AUTHORIZING THE DISPOSITION OF GREENBRIDGE WEST BULK
PARCEL 3 BY NEGOTIATED SALE TO BDR HOMES, LLC**

WHEREAS, King County Housing Authority is developing the Greenbridge HOPE VI project in White Center with the objective of providing up to 400 home ownership opportunities; and,

WHEREAS, KCHA has platted, and has provided utility service to the property boundaries of Greenbridge West Bulk Parcel 3 comprised of Parcels Z-1, Z2 and Z-3; and,

WHEREAS, KCHA offered this land for bulk sale on March 30, 2010 through an open public offering to developers and builders of for-sale housing from which an offer was made by BDR Homes, LLC; and,

WHEREAS, BDR Homes, LLC, is a Northwest Company formed by Todd Bennett and has a successful record of developing land and building new homes in communities in the Puget Sound region including the development and sale of homes at Greenbridge; and,

WHEREAS, BDR Homes, LLC has made an offer to purchase Greenbridge West Bulk Parcel 3 for a sales price of \$4,100,000; and,

WHEREAS, KCHA has entered into a nonbinding Letter of Intent with BDR Homes, LLC dated June 11, 2014 setting forth the major terms of sale.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF
KING:**

1. Executive Director, or his designee, is hereby authorized to execute a purchase and sale agreement with BDR Homes, LLC to sell and dispose of Greenbridge West Bulk Parcel 3 Parcels Z-1, Z-2 and Z-3 for the price of \$4,100,000. The net proceeds of the sale will be used to offset land development and carrying costs associated with the “for sale” land parcels at Greenbridge. The Executive Director, or his designee, is authorized to adjust the price by no more than 10% for additional costs or credits found during feasibility that were not considered in the fair market value appraisal.

2. The Executive Director, or his designee, is authorized, in his discretion to negotiate the specific provisions of the Purchase and Sale Agreement, based on the general terms and conditions set forth in the Letter of Intent referenced above, provided that the Executive Director, or his designee, shall not authorize changes to the Purchase and Sale Agreement that would materially interfere with KCHA’s objective for homeownership as set forth in the HOPE VI Revitalization Plan or its amendments.

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 21ST DAY OF JULY, 2014.

**THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON**

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary



TO: Board of Commissioners

From: Tim Walter, Senior Director Acquisitions and Asset Management

Date: July 17, 2014

Re: **Resolution No. 5477:** Authorizing the Executive Director to Approve, Execute and Deliver All Documents Relating to the Vantage Point Rental Housing Project Including, but not Limited to, Limited Liability Company Documents, Line of Credit Documents, Housing Authority Loan Documents and HUD Documents.

Staff is recommending approval of the attached resolution for the 77-unit Vantage Point rental housing development that will serve very low income seniors and disabled individuals. The property is located in the City of Renton on a 5 acre parcel that is part of the site originally purchased to develop the adjoining Vantage Glen manufactured home community. The Board has approved a number of actions related to the project, including most recently Resolution No. 5470 in May 2014 that authorized leasing the property and other related agreements with Vantage Point LLC.

Details about the project are included in the attached Project Approval Request including the financing plan and an assessment of project related risks and planned mitigations. The resolution authorizes the Executive Director to approve, execute and deliver all documents related to the project including limited liability documents, line of credit documents, KCHA loan documents and HUD documents.

Staff recommends approval of the resolution and will be available to answer questions.

VANTAGE POINT APARTMENTS
77 UNITS—NEW CONSTRUCTION
17901 105TH PLACE SE, RENTON, WASHINGTON 98002

Project Approval Request

Vantage Point Apartments is a new 77-unit public housing development serving very low income seniors and disabled individuals that is proposed for construction on a KCHA owned site in south Renton. If the development of the Vantage Point Apartments project is approved by the Board of Commissioners, Vantage Point Apartments LLC, a tax-credit limited liability company controlled by KCHA, is expected to commence construction in early August, 2014 with completion scheduled for late-fall 2015 and full occupancy by the end of 2015. Project construction will be financed with a line of credit to be paid off with 9% tax credit equity, King County Housing Finance Program assistance, contributions from KCHA's Moving to Work working capital reserves and potentially with assistance from the State Housing Trust Fund. In addition, the project is expected to receive approval from HUD to utilize 77 units of public housing operating subsidy.

Project Facts:

Vantage Point Apartments: 77 new senior/disabled public housing units located in Renton consisting of 72 one-bedroom apartments and 5 two-bedroom homes in two adjoining 4-story buildings with connecting community spaces/common area.

Location: 17901 105th Pl SE, Renton, WA 98002. The five acre site is adjacent to KCHA's Vantage Glen Manufactured Home Community and is located at the northeast corner of the property.

Population: Senior and disabled households where at least one member of the household is 55 years of age or older. Younger disabled residents under 55 years of age may occupy up to 20% of the units.

Subsidy: Utilization of 77 units of 'banked' KCHA public housing subsidy.

Relocation: Not Applicable. The project is new construction and no households will be relocated.

Ownership Structure: KCHA has leased the site to the Vantage Point Apartments LLC, which will construct and own the project. KCHA is the managing member of the LLC. Investor Members of the LLC are RBC Capital Markets and Nationwide Insurance Co. (expected). KCHA will serve as the developer of the project under contract to the LLC.

Property Manager: KCHA will be the property manager under contract to the LLC and will manage the property with KCHA staff.

Cost of Development: Estimated at \$27.5 million. The total development cost includes the lease of the land (\$1.6 million paid to KCHA), approximately \$23.8 million in

construction related costs, \$1.3 million in financing/soft/other costs and an \$800,000 developer fee to KCHA.

Financing Plan: \$15.4 million from tax credit investor equity, \$7.1 equity loan from KCHA (\$1.6 million of which is from the proceeds of the sale of the land to the LLC and \$800,000 of which is from KCHA's Developer Fee, resulting in a "true" net equity loan of \$4.7 million), \$2 King County HOME loan and \$3 million in yet-to-be-determined subordinate/soft financing from state/county or other public funds (including potentially KCHA).

Contractor: The LLC has procured Walsh Construction to act as the General Contractor/Construction Manager for the project. Walsh Construction has successfully completed a number of KCHA related new construction projects including the Village at Overlake Station, Salmon Creek Apartments, Providence Joseph House and, most recently, Fairwind Apartments.

Schedule:

Board approval of lease to LLC	May 2014
Board approval of financing/formal commencement	July 2014
Start of Construction	August 2014
2 nd Amended Operating Agreement for LLC	August 2014
HUD Mixed Finance Review/Recordation of Declaration of Trust	May 2015
Temporary Certificate of Occupancy	August 2015
Initial Lease-Up	October 2015
Final Certificate of Occupancy	December 2015
Final Lease-Up	December 2015
Final Acceptance of Work	January 2016
Project Close-out	April 2016
Final Equity Contribution and Lease Paid in Full	September 2016

Strategic Rationale

KCHA has identified the growing need for affordable housing for low income seniors as a high priority. At present we have almost 2,700 senior households on our public housing waiting list. Some have been waiting over a decade to get into an apartment. Unlike family housing, this is not an issue that can be significantly addressed through the acquisition and preservation of existing multi-family housing. While important preservation opportunities such as the acquisition of the Chaussee properties in Redmond and Bellevue do occasionally arise, there is simply not an adequately sized inventory of housing in the region designed to meet the needs of elderly households. To address this need, new housing must be built.

The Vantage Point site offers a number of advantages. First, it is already in the ownership of the Housing Authority. Second, it is well situated for senior housing, with extensive convenience

shopping immediately adjacent, a fire station and medical clinic within two blocks, good public transportation connections and Valley Medical Center less than a mile away.

This project will entail a significant front-end investment by KCHA. The actual contribution ranges from \$4.7 million up to potentially \$7.7 million. This project is the first new construction public housing in King County that is not part of the redevelopment of an existing public housing site since 1995. A full discussion of KCHA's exposure is contained in the risk section. This investment will leverage roughly \$25 million in new public housing subsidies over the term of a typical Trust Fund operating agreement as well as between \$17 and \$20 million in front-end investor equity and local government funding support.

Project History

The 5 acre site for Vantage Point was part of a larger 40+ acre parcel that was purchased in the early 1980's by KCHA for development of the Vantage Glen Manufactured Home Community. The site is situated on a hill just north of the Vantage Glen Community, immediately across from a shopping center. The Vantage Glen Community consists of 164 manufactured homes owned by senior households and located on pads leased from the Housing Authority. The community is run as a land trust, with homes being resold to KCHA when owners leave. The community is directly managed by KCHA staff.

The Vantage Point parcel has always been viewed as a separate, surplus lot suitable for future development. Approximately 6 years ago, KCHA began preparing the site for development by subdividing the site from the larger Vantage Glen parcel, securing multifamily development rights under King County zoning and vesting these rights prior to the neighborhood's annexation into the City of Renton. KCHA worked with the City of Renton to insure that KCHA's development plans were consistent with Renton's zoning and development regulations. KCHA also undertook feasibility studies during this time to determine the type of housing (e.g. family, elderly, special needs, etc.) that was best suited for the site's location and zoning.

Location

This project is extremely well situated to serve the target population. It is located directly across the street from Fred Meyer and a shopping center on 108th Ave SE and SE 176th St., providing access to groceries, services, a medical clinic, banking and retail services. Bus stops for King County Metro Transit Routes 155, 161 and 169 are within easy walking distance and Valley Medical Center is approximately one mile west of the property. The local fire station is one block from the site allowing for prompt and immediate response for any medical or other emergencies.



Description of the Building

The building will be comprised of two 4-story wood frame wings connected by a central common space, over partial structured parking. It will have multiple elevators, large and small community gathering spaces, outdoor activity spaces, gently graded walking paths and an opportunity for raised-bed community gardens, as well as additional surface parking.

The building will be situated to take advantage of the views and maximize natural daylight and passive solar heating. It is designed to provide for the needs of seniors with limited physical capabilities and mobility. Related amenities include at-grade access from the street, wide corridors and walkways, and universal design features such as grab bars and fixtures providing stability and ease of use. The building is designed to encourage socialization and physical activities.

The main floor will offer a covered, grade level entrance into a reception lobby and management office, with a nearby arts and crafts room and exterior access to an outdoor plaza space for gatherings and recreation. The floor directly above will offer a large community room and kitchen. The building offers common laundry facilities in each wing and a separate exercise/activity room, which will support programmed activities by resident services staff.

Upper floors will also provide smaller common gathering spaces situated to take advantage of views offered by the site in order to encourage additional socialization and recreation. The project has multiple features to support energy efficiency, a healthy living environment and simplified maintenance requirements. Specific features include:

Improved Energy performance:

- Energy Star Appliances.
- Additional insulation to meet Evergreen Sustainable Design Standards.
- High performance vinyl windows.
- Low volume flush toilets, and water saving faucets and showerheads.
- Efficient digital controls for heating to allow night time setbacks.
- LED light fixtures at the interiors and exteriors.

Indoor comfort and health:

- Insulated exterior doors.
- Through ventilation and cooling achieved at habitable spaces by operable windows taking advantage of prevailing summer breezes.
- Low-sone, bathroom and kitchen exhaust fans at all points of odor and moisture generation, vented directly outside to assure elimination of mold supporting environments and to provide an adequate supply of fresh air.
- Additional sound insulation in floors between units and halls.
- Low-VOC paints.
- As is now standard in KCHA's Public Housing properties, no smoking will be permitted on the premises

Increased durability and simplified maintenance requirements:

- Drought tolerant landscaping and drip irrigation to reduce water usage.
- Landscaping and pervious paving areas where practicable.
- Use of products and finishes with recycled contents.
- Individual electric metering.

The project must meet the State of Washington's current Evergreen Sustainable Development Standards (ESDS), Version 2.2.

Subsidy Type

The redevelopment of KCHA's HOPE VI communities has created a 'bank' of unused public housing subsidy (ACC). HUD permits housing authorities with banked ACC to turn on these dormant subsidies in HUD approved units. KCHA intends to activate 77 units of its banked ACC at Vantage Point, which will provide both a public housing operating subsidy and capital fund grant income for each of the 77 units.

The initial amount of operating and capital fund subsidy for each unit is estimated to be approximately \$320 per unit per month. While this is insufficient to cover the full cost of operations and long-term capital needs, it does provide a steady income stream of new income that KCHA would not otherwise receive. In addition to the ACC operating subsidy, KCHA estimates it will need to provide an on-going shallow subsidy of about \$200 per unit per month from its MTW block grant, which is approximately 25% of the average KCHA Section 8 HAP payment of \$800 per unit per month.

Financing Plan - Sources and Uses

The amounts listed in the Sources below are based on an estimate of the tax credit equity which will be delivered by the project with soft loan proceeds sized to reflect the “gap” between total projected development costs and the investor’s equity. The soft loan proceeds include contingency amounts for both hard and soft costs.

Sources:

Tax-Credit Equity	\$ 15,400,000
KCHA – Land Lease Loan	1,600,000
KCHA – Equity Loan	5,500,000
King County	2,000,000
KCHA – Other	3,000,000
Total	<u>\$27,500,000</u>

Please see the Risk Assessment section for a fuller discussion of KCHA’s potential financial exposure.

Uses:

Acquisition (Lease value)	\$ 1,685,000	
Construction	21,100,000	(\$274,026/DU)
Architectural & Engineering	1,740,000	
Permits	950,000	
Financing, Syndication and Legal	910,000	
Soft Cost/Post Cost Cert/Other	315,000	
KCHA Project Mgmt/Dev. Fee	800,000	
Total	<u>\$27,500,000</u>	

Financing Structure

Financing for the 77-unit Vantage Point project will consist of approximately \$15.4 million in investor tax-credit equity and the balance of the development cost, \$12.1 million, is anticipated to be covered by combination of a KCHA equity loan and other soft financing sources (King County and potentially the State Housing Trust Fund). To date, KCHA’s Board of Commissioner’s has committed \$2 million in KCHA MTW working capital reserves to the development of Vantage Point and KCHA will receive \$1.63 million from the sale of the land which it will reinvest into the project. KCHA has also received a commitment from King County for \$2 million in the form of a forgivable grant which KCHA will loan to the LLC. The remaining gap of \$3 million will need to be funded by future funds awarded by the state’s Housing Trust Fund, additional funds from King County or addition MTW working capital reserves from KCHA. KCHA will also be receiving \$800,000 in developer fee proceeds, which can be reinvested in the project.

KCHA will provide bridge financing for the investor equity from proceeds of a taxable line of credit that it expects to receive from Bank of America. The amount of the line of credit is expected to be sufficient to bridge not only the investor equity pay-in but also the balance of the soft 'gap' proceeds. In addition, in order to minimize the borrowing costs of the bridge financing, KCHA may need to cash collateralize a portion of the line of credit with MTW working capital reserves similar to manner in which KCHA collateralized the bridge financing for the Green River Homes redevelopment. If KCHA was ultimately unable to secure funding from the state or county for the portion of the bridge financing related to the unsecured 'gap,' Bank of America would repay itself from the collateral.

Risk Assessment

Financing Risk: There is no financing risk as such, as the use of public housing subsidies prevents the placement of debt on the property. Thus, rather than financing the equity gap through a permanent third-party loan, KCHA MTW working capital reserves will be lent in at project closing. The amount of KCHA net MTW working capital reserves provided to the project will range from \$4.7 to \$7.7 million depending on final construction costs and the availability of Housing Trust Fund support as more fully discussed in the next two sections. Additional value engineering and the rebidding of select sub-trades could possibly bring this number down, but that reduction is not assumed in this analysis.

KCHA has sufficient working capital, available from the MTW program and from excess proceeds on land sales at the HOPE VI sites to cover the \$4.7 million initial gap and to bridge the \$3 million additional equity gap that failure to secure Housing Trust Fund support would create.

The crucial question for consideration by the Board is whether a loan of this amount of working capital to the Vantage Point project is appropriate and desirable. KCHA has routinely project-based Section 8 into new housing being developed both by ourselves and by other non-profit developers in order to leverage production. But for the inability of public housing to carry debt, KCHA would have project-based Section 8 vouchers in this development. If it had, the cash flow on the project, supplemented by the additional subsidies generated by the "turn-on" of new public housing, would be sufficient to amortize approximately \$7 million in KCHA loan proceeds under a 35 year, 4% interest mortgage scenario. The project-basing of 77 Section 8 vouchers (out of our current voucher pool of some 10,000) is an appropriate investment in producing new deep subsidized units in a desirable location.

Cost to develop Vantage Point is more than budgeted: This project is being constructed by Walsh Construction under a General Contractor/Construction Manager (GC/CM) contract with the Vantage Point Limited Partnership. Walsh Construction is responsible for oversight of the construction, general conditions and may self-perform certain trades where they are the low bidder. Initial bid results from subcontractors suggest that the cost of construction will be higher than assumed in KCHA's original development budget. These bid results have been incorporated into the financials presented in this submission. They reflect a worst case scenario where value engineering, the rebidding of select trades and less than full utilization of the 5% construction contingency allowance fail to bring total development costs down. KCHA will not proceed with the execution of a construction contract with Walsh until a guaranteed maximum price that is at

or lower than the projections contained in this recommendation have been agreed upon and incorporated into the construction documents along with a payment and performance bond covering completion of all scheduled work.

In addition, cost overruns and unforeseen conditions can add to the cost of a project during construction. It is particularly possible, given the critical need to deliver the 2015 tax credits to the equity investors within a tight timeframe, that unanticipated conditions could also result in higher than anticipated costs to KCHA to complete the project on time. Since no external source of funds would likely be available to defray such expenditures beyond the 5% contingency allowance included in the budget, the use of additional KCHA reserves could be necessary to complete the project.

These risks are mitigated by execution of a Guaranteed Maximum Price Contract backed by a 100% Payment and Performance Bond for all scheduled work, and by the contingency allowance built into the project. Risk is also mitigated by the quality of the GC/CM. Walsh Construction enjoys a very strong reputation in the local construction community. KCHA selected Walsh through an RFP process and has worked extensively and successfully with Walsh in the past on numerous projects.

KCHA fails to secure state gap funding: The largest exposure KCHA has to increased direct costs on this project relates to the current uncertainty regarding Washington State Housing Trust Fund support for this project. KCHA has applied twice for a \$3 million grant from the Housing Trust Fund but, to date has not received an award. In the instance of the first application, the State Legislature chose not to provide the Trust Fund appropriation to the Department of Commerce for disbursement through a competitive funding process but, instead instructed Commerce to disburse the funding to projects on a list generated by the legislature. KCHA was not on that list. The subsequent application was never acted upon as the legislature failed to appropriate any funding for the Trust Fund in 2014. KCHA will continue to seek funding from the state but, failure to ultimately receive an award will require KCHA to fund this \$3 million gap from other sources. The only other source identified to date is King County. Due to funding limitations, it is unlikely that the County would cover the state funding deficiency and provide additional funds beyond the \$2 million that it has already committed to the project. KCHA has assumed that these funds are not available long term from an external source in developing the worst case scenario contained in this submission.

This risk is mitigated by the fact that KCHA executive staff has received strong support for funding from the Housing Trust Fund for Vantage Point from local State Legislators. In addition, the Washington State Department of Commerce has indicated that the project will be eligible to apply for funding, if funding is available this coming year, despite the fact that we have proceeded into the construction phase utilizing bridge financing. The political and funding environment makes it difficult however to gauge the likelihood of State funds being available in the immediate future. If a source of funds is not identified, KCHA's balance sheet will allow KCHA to secure bridge financing that can be kept in place for a number of years. The inability to find a long term financing solution for the \$3 million gap, however, and the subsequent necessity to use additional MTW working capital reserves to provide the necessary long term equity investment, will have a significant negative impact on KCHA's financial position and on the resources available to supporting other high priority local initiatives and partnerships in addressing homelessness and educational issues.

Failure to complete the project by the end of 2015: A portion of the tax credits awarded by the Washington State Housing Finance Commission (“Commission”) were received in 2013. The IRS requires projects receiving an award of credits to be completed within the second full year after the award was made. In order to preserve Vantage Point’s 2013 credit award, the phase of the project associated with the 2013 allocation must be completed by December 31, 2015. If the project begins by early August 2014 and no unanticipated site, soils or permit conditions are encountered, the GC/CM contractor should complete site work by the end of 2014 and have time to complete the project by the end of 2015. On the other hand, if the project experiences delays in starting or complexities related to permits, earthwork or the inability to complete the foundation before the end of 2014, there is a risk that the project will not be completed by the end of 2015. Failure to complete this phase of the project on schedule will result in the complete loss of tax credits from the 2013 allocation and a loss of \$6 million in tax credit investor equity.

This risk is mitigated by the use of a very experienced and capable general contractor, Walsh Construction, with an excellent record of finishing projects on time or ahead of schedule. Walsh also has the resources and know-how to accelerate the construction schedule if circumstances warrant. Within the next three months, KCHA will know whether or not there are any unanticipated conditions which would prevent the site and foundation work from getting done by the end of 2014. The potential risk of losing the equity investment from the 2013 allocation is also mitigated by working with the State Finance Commission to swap the 2013 credits for 2014 credits. If it is determined this work cannot be completed by the end of 2015, KCHA will immediately work with the State Finance Commission to swap its 2013 allocation with a 2014 project that is on track or ahead of schedule to allow for an additional calendar year to complete this project. This is not common and is only done when there are no other options for developers. There is no guarantee the Commission would do this but, the Commission has accommodated the handful of projects that have had to do this in the past and staff believes the Commission would be amenable to working with KCHA to ensure that the credits are preserved.

HUD denies allowing KCHA to turn on its banked ACC: KCHA has ‘banked’ public housing subsidy (ACC) that it has turned on at numerous previous projects including Pacific Court, Pepper Tree and Kirkland Place. However, KCHA has not turned on public housing subsidy in a tax-credit property that has not been part of a HOPE VI redevelopment. Since KCHA has not received formal HUD approval to turn on ACC subsidy at the site, there is a possibility they would not approve the use of ACC subsidy for the project.

This risk is mitigated by advice from KCHA’s legal counsel, Ballard Spahr, that KCHA does not need to go through HUD’s traditional Mixed Finance Approval process prior to the start of construction, which can take an extensive period of time to complete. Instead the review process with HUD can occur after construction has commenced but before the subsidy needs to be activated in late 2015. The local HUD field office is aware of the Vantage Point project and has been cooperative in working with KCHA in turning on its banked ACC in other projects.

The MTW subsidy necessary to cover operating and long-term repairs and replacements is more than originally anticipated: There is a risk that future operating and repair costs might exceed projections and additional KCHA block grant funds may be necessary to support the short-term and/or long-term viability of the project.

This risk is mitigated by KCHA's experience operating many similar buildings, so operating and capital costs significantly beyond those already projected are unlikely. KCHA currently anticipates a modest level of additional ongoing subsidy from KCHA's MTW block grant that will be over and above what will be received in new public housing operating subsidies. While this amount is not insignificant (estimated at \$175,000 per year), even if this amount were to increase by 50%, the increase would be less than 1/10 of 1% (.001) of KCHA's annual block grant and could be absorbed without a material impact to the operation of KCHA's existing Section 8 and public housing programs.

This risk is also further mitigated by the leveraging of Public Housing Capital Grant Funds once the banked public housing subsidies are turned on. While Capital Grant funding has been significantly cut back by Congress in recent appropriations, current Capital Grant funding levels will generate approximately \$750 per unit per year (\$57,750/yr. total) in additional contributions to the building's capital reserve.

Tax credit non-compliance: KCHA indemnifies its investor members against loss of tax credits associated with non-compliance.

This risk is mitigated by KCHA's experience with similar type projects. KCHA currently oversees approximately 2,500 tax credit regulated units and has overseen a portfolio of tax credit properties for 20 years. KCHA's Compliance Division that has a strong track record overseeing and monitoring strict compliance with tax credit program requirements. KCHA also has an experienced Asset Management Department which provides another layer of oversight. To date, KCHA has not had a single incident of recapture of credit resulting in an indemnity payment. Any loss of tax credits associated with compliance is unlikely, but if it occurred, it would be financially immaterial and not considered a significant risk. Any incident of non-compliance is proportional to the number of units out of compliance. For example, one unit out of compliance out of 100 units could result in a maximum of 1% loss of the project's tax credits for that year.

Project Site Plan



Building Elevation



HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5477

A RESOLUTION of the Housing Authority of the County of King authorizing the Executive Director to approve, execute and deliver all documents relating to the Vantage Point rental housing project including but not limited to Limited Liability Company Documents, Line of Credit Documents, Housing Authority Loan Documents and HUD Documents.

ADOPTED July 21, 2014

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5477

A RESOLUTION of the Housing Authority of the County of King authorizing the Executive Director to approve, execute and deliver all documents relating to the Vantage Point rental housing project including but not limited to Limited Liability Company Documents, Line of Credit Documents, Housing Authority Loan Documents and HUD Documents.

WHEREAS, the Housing Authority of the County of King (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington; and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project”; and

WHEREAS, RCW 35.82.020 defines “housing project” to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income”; and

WHEREAS, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, “make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing for persons of low income”; and

WHEREAS, the Authority is the fee owner of certain real property located at 17901 105th Avenue Pl SE, Renton, Washington (the “Property”), upon which the Authority desires to develop Vantage Point Apartments, a 77-unit new construction senior/disabled public housing apartment community (the “Project”); and

WHEREAS, in furtherance of the Project and pursuant to Resolution No. 5415 adopted by the Board of Commissioners of the Authority on December 17, 2012 and Resolution No. 5454, adopted by the Board of Commissioners of the Authority on December 16, 2013, the Authority was authorized to i) provide up to \$2,000,000 in Moving to Work Working Capital Reserves for the purpose of providing predevelopment, equity and loan financing for the Project; ii) submit financing applications to the King County Housing Finance Program, the State of Washington Housing Trust Fund and the Washington State Housing Finance Commission; iii) create the Vantage Point Apartments LLC, a Washington limited liability company (the “Company”); and iv) execute such documents as were necessary to obtain the low income housing tax credits and King County Housing Finance Program funds; and

WHEREAS, in furtherance of the Project and pursuant to Resolution No. 5461 adopted by the Board of Commissioners of the Authority on March 17, 2014 the Authority was authorized to i) negotiate the terms of an Amended and Restated Operating Agreement (the “Operating Agreement”) under which the Authority will be the sole managing member and entities affiliated with RBC Capital Markets (“RBC”) will be the investor member(s) on the terms and conditions approved by the Executive Director; ii) undertake all necessary and appropriate actions in connection with the structuring of financing for the Project and the design and development of the improvements to be constructed in connection with the Project; and iii) execute such ancillary documents and expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs in furtherance of the activities authorized by the resolution; and

WHEREAS, in furtherance of the Project and pursuant to Resolution No. 5470 adopted by the Board of Commissioners of the Authority on May 19, 2014 the Authority was authorized to

i) enter into a First Amended and Restated Operating Agreement admitting RBC as an investor member in the Company and ii) to enter into a Lease Agreement pursuant to which the Authority would lease the Property and the Project to the Company in consideration for a capitalized lease payment in the total principal amount of approximately One Million Six Hundred Thirty Thousand and No/ 100 Dollars (\$1,630,000.00), of which One Hundred Sixty Thousand Three Thousand and No/100 Dollars (\$163,000.00) was paid to KCHA upon execution of the Lease Agreement; and iv) enter into a Development Agreement pursuant to which the Authority will serve as the developer of the Project; and v) enter into an Assignment and Reimbursement Agreement pursuant to which the Authority will assign predevelopment work product to the Company and the Company will reimburse the Authority for the costs certain expenditures incurred by the Authority in securing the work product; and

WHEREAS, total financing for the Project will be in the approximate amount of \$27,500,000 which will include i) a construction bridge loan in the amount of up to \$20,500,000 (the “Bridge Loan”) provided by the Authority to the Company; ii) a term loan from the Authority in the amount of \$2,000,000 from the proceeds of an award to the Authority in the amount of \$2,000,000 from the King County Housing Finance Program (the “King County Loan”); and iii) up to \$10,100,000 to be arranged for or provided by the Authority as a loan or loans to the Company (the “Authority Loan”). The Bridge Loan, King County Loan and Authority Loan are collectively referred to as the “Housing Authority Loans”; and iv) tax credit equity from RBC in the approximate amount of \$15,400,000; and

WHEREAS, the Authority intends to make the Bridge Loan from the proceeds of a taxable Line of Credit extended by the Bank in a principal amount of not to exceed \$20,500,000 and a term of not more than thirty six (36) months (the “Line of Credit”) made to the Authority from Bank of America or an affiliate thereof (the “Bank”); and

WHEREAS, the Authority has determined that the financing authorized herein is important for the feasibility of the Project; and

WHEREAS, the Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable to obtain the various funding sources on behalf of the Project described above and to make such funds available to the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING as follows:

Section 1. Approval of Company Documents. The Executive Director is authorized, empowered and directed, on behalf of the Authority, to negotiate the terms of and enter into a Second Amended and Restated Operating Agreement with RBC - Vantage Point, LLC, a Delaware limited liability company as the investor member (the “Investor Member”) and RBC Tax Credit Manager II, Inc., a Delaware limited liability company as the special member (the “Special Member”) in accordance with the general terms and conditions of the letter of intent entered into between the Authority and RBC dated April 11, 2014. In particular, the Authority’s Executive Director is authorized empowered and directed to execute and deliver on behalf of the Authority on its own behalf or in its capacity as managing member of the Company those documents reasonably required by RBC with respect to its admission into the Company, including but not limited to the Second Amended and Restated Operating Agreement, Pledge and Security Agreement, Company Management Agreement, Asset Management Agreement, Purchase Option and Right of First

Refusal, Tax Credit Certification, Guaranties any other documents reasonably required to be executed by the Authority or the Company to carry out the transactions contemplated by the Company Documents. The Executive Director of the Authority is further authorized and directed to take any other action and to execute such other documents as may be required to: i) commence construction of the Project and ii) as otherwise may be required to be taken or executed by the Authority, on behalf of itself or as managing member of the Company, under the provisions of or as necessary to admit the Investor Member and the Special Member into the Company as approved by the Executive Director.

From and after the date of the admission of the Investor Member and Special Member into the Company, the Executive Director is authorized and directed, without further Board approval, to take such actions on behalf of the Authority that are required to be taken by the managing member of the Company.

Section 2. Approval of Bank of America Line of Credit. The Executive Director is further authorized, empowered and directed to take all actions required of the Authority to apply for and obtain the Line of Credit. In furtherance of applying for and obtaining the Line of Credit, the Executive Director, on behalf of the Authority is authorized, empowered and directed to execute and deliver such documents as may be required by the Bank including but not limited to a proposal letter from the Bank, a note, a general revenue pledge and such other documents as may be deemed reasonable by the Executive Director with respect to the obtaining and closing the Line of Credit. The Executive Director of the Authority is further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, under the provisions of or as necessary with respect to the Line of Credit.

Section 3. Approval of Housing Authority Loan Documents. The Executive Director is further authorized, empowered and directed to take all actions required of the Authority in connection with the Housing Authority Loans. In particular, the Authority's Executive Director is authorized empowered and directed to execute and deliver on behalf of the Authority on its own behalf as lender or in its capacity as managing member of the Company those documents reasonably required to close on the Housing Authority Loans including but not limited to such loan agreements, financing agreements, notes, leasehold deeds of trust, regulatory agreements and such other documents as may be deemed reasonable by the Executive Director with respect to the Housing Authority Loans. The Executive Director of the Authority is further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as managing member of the Company, under the provisions of or as necessary with respect to the Housing Authority Loans.

Section 4. Approval of HUD Documents. The Executive Director is further authorized, empowered and directed to execute and deliver, on behalf of the Authority in its own behalf or in its capacity as managing member of the Company, as applicable those documents reasonably required to obtain 77 units of public housing subsidy from HUD and (ii) any other documents reasonably required to be executed by the Authority or the Company to carry out the transactions contemplated by the HUD Documents.

Section 5. Governmental Filings; Other Agreements. The Executive Director is further authorized to execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed), on behalf of the Authority and/or the Company, any government forms, affidavits, certificates, letters, documents, agreements and instruments that either such officer determines to be necessary or advisable to give effect to this resolution and to consummate the

transactions contemplated herein.

Section 6. Expenditures. The Authority is authorized to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

Section 7. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or a Deputy Executive Director of the Authority, respectively.

Section 8. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

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 County of King at an open public meeting this 21st day of July, 2014.

HOUSING AUTHORITY OF THE COUNTY OF
KING

By: _____
Chair

ATTEST:

Executive Director

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and Executive Director of the Housing Authority of the County of King (the “Authority”) and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 5477 (the “Resolution”) is a full, true and correct copy of the resolution of the Board of Commissioners (the “Board”) of the Authority, as adopted at a special meeting of the Authority held on July 21, 2014, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority’s website and prominently displayed at the main entrance of the Authority’s office at 600 Andover Park W., Tukwila, Washington 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such 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 this 21st day of July, 2014.

Executive Director of the Authority

CERTIFICATE

APPENDIX I



SPECIAL MEETING OF THE BOARD OF COMMISSIONERS

July 21, 2014, 8:30 am

Joe Thomas Community Room - Wiley Center
9800 8th Avenue SW
Seattle, WA 98106

A G E N D A

- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes** - Board Meeting Minutes from June 16, 2014 **1**
- V. Approval of Agenda**
- VI. Consent Agenda**
 - A. Voucher Certification Report for May 2014 (General and Bond Properties) **2**
 - B. Resolution No. 5474: Authorizing the Transfer of Windsor Heights Project to the Authority Through the Acquisition of the Leasehold Interest of KCHA-Seatac Limited Partnership And/Or the Acquisition of the Interests of the Limited Partner of the Partnership by the Authority, the Assignment and Assumption by the Authority of the Obligations of the Partnership with Respect to the Project and Bonds Issued to Finance the Project, and Determining Related Matters **3**
 - C. Resolution No. 5475: Joint Interlocal Agreement for Research Services with Tacoma, Portland and Seattle Housing Authorities **4**
- VII. Resolutions for Discussion and Possible Action**
 - A. Resolution No. 5476: Authorizing the Disposition of Greenbridge West Bulk Parcel 3 by Negotiated Sale to BDR Homes, LLC **5**
 - B. Resolution No. 5477: Authorizing the Executive Director of the Housing Authority of the County of King to Approve, Execute and Deliver all Documents relating to the Vantage Point Rental Housing Project, including but not limited to Limited Liability Company Documents, Line of Credit Documents, Housing Authority Loan Documents and HUD Documents **6**

VIII. Briefings & Reports

- A. New Bank Accounts 7
- B. Second Quarter Write-Offs 8
- C. Quarterly Procurement Report 9
- D. Risk Management and Insurance Presentation 10
- E. Executive Director's Report

IX. Executive Session

- A. To review the performance of a public employee per RCW 42.30110(g)

X. Commissioner Comments

XI. Recess for Moving King County Forward (MKCRF) Board Meeting

XII. Reconvene at Conclusion of Moving King County Forward Board Meeting

XIII. Tour of BDR building site (803 SW 96th Place, Seattle, WA 98106) and West Bulk Parcel 3 (Intersection of 10th Ave SW and SW 97th Place, Seattle, WA 98106)

XIV. Adjournment

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator, Jessica Olives, in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1194 prior to the meeting date.

Next Regular Board Meeting Date:
Monday, August 18, 2014

Amended July 17, 2014



To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: July 18, 2014

Re: New Bank Accounts

Since the last Board meeting KCHA has opened 3 new bank accounts related to Gilman Square.

- **King County Housing Authority Gilman Square Depository**

Bank: Bank of America

Purpose: This is a new checking account set up in the name of KCHA only and will be used to collect payments from tenants. After outside property managers present invoices to KCHA, funds will be transferred from this account to the Operating Account. The property management company will then make disbursements to pay the invoices. Transactions will include tenant deposits, wire transfers to the Operating Accounts and check writing for excess cash to KCHA.

- **KCHA Gilman Square Operating Account**

Bank: U.S. Bank

Purpose: This is a new checking account that will be used to process vendor payments related to the operation of the Gilman Square property. After invoices are presented to KCHA, funds are transferred from the depository account into the operating account. Disbursements are then made out of the Operating Account to pay the invoices. Transactions will include deposits, check writing and wire transfers from the Depository Account.

- **KCHA Gilman Square Security Deposit Account**

Bank: U.S. Bank

Purpose: This is a new savings account that will be used to hold tenant security deposits. Transactions will include and be limited to deposits from the Depository Account and transfers to the Operating Account for tenant refunds. KCHA policy requires tenant security deposits are held in a separate bank account.



TO: Board of Commissioners

FROM: Linda Riley *LR*

DATE: July 10, 2014

RE: 2nd Quarter 2014 Summary Write-Offs

For the 2nd Quarter of 2014, total routine write-offs are \$23,983.44 compared to \$11,417.43 in the same period last year. A breakdown for accounts written off is listed below. The increase is due to two physical evictions, both over \$4,000, and two other evictions with excessive damage that total over \$6,700. The net collections remitted from our collection agency are \$2,013.79 or approximately \$980.00 higher than this period last year.

	ROUTINE WRITE-OFFS	RETRO-RENT WRITE-OFFS	TOTAL WRITE-OFFS
Rent Balance Forward to Vacate Month	1,847.73		1,847.73
Retro Rent	-		-
<u>VACATE CHARGES:</u>			
Rent Delinquent in Vacate Month	5,113.31		5,113.31
Cleaning & Damages	19,945.93		19,945.93
Paper Service & Court Costs	950.00		950.00
Miscellaneous Charges	222.16		222.16
Total Charges	<u>28,079.13</u>	<u>-</u>	<u>28,079.13</u>
<u>CREDITS:</u>			
Security Deposits	(2,557.00)		(2,557.00)
Miscellaneous Payments & Credits	<u>(1,538.69)</u>		<u>(1,538.69)</u>
Total Credits	<u>(4,095.69)</u>	<u>-</u>	<u>(4,095.69)</u>
TOTAL	<u>\$ 23,983.44</u>	<u>\$ -</u>	<u>\$ 23,983.44</u>
Public Housing	10,833.82		10,833.82
Asset Management			-
Preservation	3,739.68		3,739.68
Harrison House			-
Green River	7,176.88		7,176.88
Green River II			-
Egis	262.00		262.00
Soosette Creek	1,971.06		1,971.06
	<u>\$ 23,983.44</u>	<u>\$ -</u>	<u>\$ 23,983.44</u>

* for those properties which have accounts written off.

**Write-off and Collection Summary
2012 - 2014**

NET WRITE-OFFS			
	2014	2013	2012
January to March	40,825.34	5,427.11	14,364.63
April to June	23,983.44	11,417.43	23,231.03
July to September		23,457.12	44,645.46
October to December		41,413.64	36,720.43
TOTAL	64,808.78	81,715.30	118,961.55

NET COLLECTIONS			
	2014	2013	2012
January to March	1,175.65	530.51	1,647.38
April to June	2,013.79	1,029.32	699.56
July to September		1,073.05	297.50
October to December		2,522.43	246.84
TOTAL	3,189.44	5,155.31	2,891.28

****Detail by tenant is available by request.



To: Board of Commissioners

From: Tim Baker, Senior Management Analyst

Date: July 18, 2014

Re: Second Quarter CY 2014 Procurement Report

In order to update the Board concerning KCHA's procurement activities, staff is presenting its Quarterly Procurement Report. This report covers all procurement activities from April through June 2014 that involved the award of contracts valued over \$100,000 and change orders that have cumulatively exceeded ten percent (10%) of initial contract value.

In the awarded contracts section, the Report lists the issuing department, contract type, company awarded the contract, the award and estimate/budgeted amounts, procurement process involved, the number of bids received and notes about the procurement. In the second quarter, there were 14 contracts valued at more than \$100,000 representing 84% of the contracts executed in the quarter. The largest contract was awarded to Danneko Construction for \$421,000 for the Auburn Square building envelope project.

KCHA's internal procedures require heightened oversight and review once a contract has incurred change orders valued at more than 10% of the original contract amount. The change order section of the Report includes the issuing department, contract type, company awarded the contract, the original award amount, number of change orders and the amounts of the total change orders to date expressed both in dollars and percentages above the original contract value, and notes about the procurement. At the Board's request, this section was divided between change orders issued in response to unforeseen field conditions or expanded project scopes, and change orders which were foreseen at the time the initial contract was let (primarily through contract extensions on multi-year contracts). The not-to-exceed total for the "foreseen" change order section is the projected total amount of the contract once all the foreseen change orders are completed.

There were 8 total "field condition" or "scope change" orders on contracts whose total value had exceeded 10% of the initial contract amount in the second quarter. A discussion of the most notable changes follows:

1. Two involved the Spiritwood Manor and Hidden Village community buildings project. These were mostly owner and site condition driven change orders for a wide variety of improvements such as storm drainage revisions and playground equipment changes.
2. The single largest percentage change order (46%) was with Montgomery Purdue (MPBA) for legal services. This is the estimated amount needed to be added to the contract through the end of its initial term in August 2015. The contract may then be extended an additional two years. The Authority has utilized MPBA's services on a variety of development activities including the Chausee and Gilman Square acquisitions which were not anticipated in setting the original value of the contract.
3. The Sprague contract also increased via a change order of 46%. This vendor provides pest control services to the Authority, almost entirely combatting bed bugs in units. Aggressive treatments, both chemical and heat based are needed to keep bed bug infestations under control. The \$170 thousand change order was needed to bridge the old and new contracts, three of which were let in this quarter to Eden, Sprague and United with a combined value of \$1.5 million over the next 6 years.

There were six anticipated change orders involving contract extensions as allowed in the original contract. A discussion of the most notable changes in foreseen change orders follows:

1. Administrative Services extended the Parker Smith Feek (PSF) contract for its fifth and final year. PSF provides brokerage and loss control services to KCHA and will be making a presentation at the July 21 Board of Commissioners meeting.
2. The Brickman Group provides landscaping services at several KCHA sites, including both HOPE VI sites. An additional \$37 thousand was added to their contract in the second quarter to increase the number of mowings on the bulk parcel portion of the Greenbridge site.
3. Harrison House in Kent is the only KCHA property which provides meal services to residents; Pioneer Human Services is the contractor. This quarter not only saw an extension to the contract length but also an increase in the cost of food provided. Both changes are considered routine.

KING COUNTY HOUSING AUTHORITY
QUARTERLY PROCUREMENT REPORT

Apr-Jun 2014 Second Quarter

Awarded contracts over \$100,000						NTE = not to exceed		
Issuing dept	Contract type	Contract awarded to	Estimate/budget amount	Original Contract amount	Not to exceed with extensions	Procurement Process	# of bids	notes
Asset Management	Asphalt replacement at 4 sites	Northshore Paving	\$133,921	\$103,685	\$103,685	sealed bid	5	contractor has performed several successful jobs for KCHA
Asset Management	Overlake solar roof system install	NW Wind and Solar	\$137,291	\$110,843	\$110,843	sealed bid	4	new contractor for KCHA
Asset Management	Meadowbrook roof replacement	Big Rock Construction	\$158,750	\$140,000	\$140,000	sealed bid	6	contractor has performed several successful jobs for KCHA
Asset Management	Asphalt replacement at 7 sites (2nd contract)	Northshore Paving	\$220,008	\$181,510	\$181,510	sealed bid	7	contractor has performed several successful jobs for KCHA
Asset Management	Walnut Park building envelope	Bates Roofing	\$500,723	\$362,575	\$362,575	sealed bid	4	Bid well below estimate. Good contractor who cut markups to secure work
Asset Management	Auburn Square building envelope	Danneko Const.	\$448,334	\$421,000	\$421,000	sealed bid	7	new contractor for KCHA
Capital Construction	Juanita Court management office	Accord Contractors	\$175,648	\$169,488	\$169,488	sealed bid	2	contractor has performed several successful jobs for KCHA
Capital Construction	civil engineering services	RH2 Engineering	\$200,000	\$193,220	\$193,220	RFQ	2	second phase (design development) contract for south county sites
Capital Construction	Hidden Village civil upgrades	Accord Contractors	\$270,909	\$263,799	\$263,799	sealed bid	5	contractor has performed several successful jobs for KCHA
Housing Management-maint	pest control services	Eden	\$150,000	\$150,000	\$500,000	RFP	3	selected 3 vendors to ensure prompt service, especially regarding bed bugs
Housing Management-maint	pest control services	Sprague	\$150,000	\$150,000	\$500,000	RFP	3	selected 3 vendors to ensure prompt service, especially regarding bed bugs
Housing Management-maint	pest control services	United	\$150,000	\$150,000	\$500,000	RFP	3	selected 3 vendors to ensure prompt service, especially regarding bed bugs
Housing Management-maint	fire alarm monitoring and testing	Simplex Grinnell	\$375,000	\$375,000	\$787,500	sole source	n/a	procured from the State of Washington contract, very competitive pricing
Information Technology	scanning services for Section 8 case files	TIS	\$320,000	\$185,800	\$185,800	RFP	12	new contractor for KCHA
Total			\$3,390,584	\$2,956,920	\$4,419,420			
Contracts exceeding 10% cumulative change order-Condition Changes								
Issuing dept	Contract type	Contract awarded to		Original contract amount/NTE	Change order amount (# of COs)	Total contract value to date	Total % change from original/NTE	notes regarding current quarter change orders
Administrative Services	legal services	Montgomery Purdue		\$600,000	\$275,000 (1)	\$875,000	46%	rate of expenditure of funds higher than anticipated at contract execution
Capital Construction	Northlake House drainage & landscaping	Accord Contractors		\$116,900	\$15,375 (4)	\$145,412	24%	erosion control for hillside to allow for new plantings to grow
Capital Construction	Spiritwood/Hidden Village community centers	Stetz Construction		\$2,004,052	\$24,410 (86-87)	\$2,503,274	25%	storm drain revisions & redo of the playground surface
Capital Construction	Island Crest electrical upgrades	American Electrical Services		\$131,738	\$35,809 (2)	\$176,509	34%	expanded scope to upgrade electrical service from 400A to 600A
Capital Construction	Hidden Village catch basin	Road Construction NW		\$6,662	\$3,790 (1)	\$10,452	57%	pipe could not be repaired as anticipated, new pipe and rerouted on site
Capital Construction	Vista Heights siding	West Coast Contracting		\$440,946	\$33,249 (16)	\$1,020,492	131%	restoration of the siding on 3 buildings & additional painting
Housing Management-maint	pest control services	Sprague		\$372,000	\$170,000 (5)	\$542,000	46%	funds to temporarily extend contract to deal with bed bug outbreaks
Total				\$3,672,298		\$5,273,139		
Contracts with contract extensions or other foreseen change orders								
Issuing dept	Contract type	Contract awarded to	Original NTE budget/contract		Change order amount this quarter (# of CO's)	Current contract value	% of original of NTE budget/ contract	notes regarding current quarter change orders
Administrative Services	Insurance consulting services	Parker Smith Feek	\$742,230		\$140,573 (5)	\$742,230	100%	last change order allowed by contract, rebid in 2015.
HOPE VI	Greenbridge land use legal services	Johns Monroe Mitsunaga Kolouskova	\$425,000		\$30,000 (1)	\$90,000	21%	increasing contract due to additional services requested by KCHA
HOPE VI	Greenbridge bulk parcel grounds maint.	Brickman Group	\$80,000		\$37,210 (7)	\$67,189	84%	adding number of mowings/clean up events per season
Housing Management	policing services for northend properties	King County Sheriff Dept.	\$60,000		\$20,000 (2)	\$60,000	100%	ongoing annual renewals, therefore no amount shown for a contract NTE
Resident Services	Harrison House food services	Pioneer Human Services	\$690,000		\$58,459 (1)	\$403,459	58%	CO to extend contract through 2014, increases in food costs
Resident Services	transportation services	Senior Services	\$172,767		\$22,767 (1)	\$97,767	57%	increasing contract due to additional services requested by KCHA
Total			\$2,169,997			\$1,460,645		



To: Board of Commissioners

From: Mark Abernathy, Risk Manager

Date: July 18, 2014

Re: Risk Management and Insurance Presentation

At the upcoming Board of Commissioners meeting, the Risk Management Department along with representatives from KCHA's insurance broker, Parker, Smith and Feek (PSF), will provide its annual summary of the KCHA Risk Management Program, on the following topics:

- Risk Management Philosophy
- 2013-14 Program Accomplishments
- Current Insurance Program Overview
- Updated Claims History: Property, Liability, Auto and Worker's Compensation
- 2014-15 Insurance Renewal and Anticipated Changes

The attached documents summarize KCHA's existing insurance structure, which will be discussed during the July 21, 2014 Board meeting. The information attached to this memo is provided in advance for your review and will be explained in detail during the Board meeting. The Risk Management Department as well as representatives from PSF will be available to answer any questions.

KCHA PROPERTY INSURANCE PROGRAM 2013-14

TOTAL PROPERTY PREMIUMS: \$682,876

KCHA Properties
HARRP

\$373,965,502 Bldg. Limit
\$6,001,959 Contents Limit
\$20,415,745 Rental Income
\$116,565 Mobile Equip.

10/01/13– 10/01/14

Sedro Wolley Property
HARRP

\$7,090,818 Building Limit
\$105,134 Contents Limit

10/01/13 – 10/01/14

KCHA Locations
Bus. Pers. Prop/Inland Marine
Atlantic Specialty Ins. Co.

\$68,645 Misc Articles
\$2,237,958 EDP Equip.
\$100,000 EDP - Unsch Loc

\$1,000 – Deductible,

10/01/13 – 10/01/14

Tax Credit Properties
Lexington Ins. Co. (AIG)

\$75,000,000 Loss Limit
(incl. Equip. Breakdown)
\$5,000,000 Bus Income/Rental Value
\$1,000,000 Flood, except
\$2,500,000 Any one Occ. – Flood*
\$2,500,000 Any one Occ. - EQ*
(*at scheduled locations)

\$10,000 – Deductible, except
\$10,000 Equip. Breakdown.
5%/\$100,000 min. Earthquake
\$100,000 (max. \$500,000) Flood
1 day Bus Income/Rental Value

Includes Excess Flood/ & EQ for:
Si View

10/01/13 – 10/01/14

Non-Profit Property _
(part of package with GL)
Great American

\$9,621,463 Blkt Building
\$9,930,645 Equip Breakdown
\$249,474 Blkt Pers. Property

\$10,000 Ded.

10/01/13 – 10/01/14

KCHA LIABILITY INSURANCE PROGRAM 2013-14

TOTAL LIABILITY PREMIUMS: \$607,982

<p><u>Excess Liability</u> Lexington Insurance Co. (Chartis) \$10,000,000 Aggregate Limit 10/01/13 – 10/1/14</p>					
<p><u>Bond</u> HARRG General Liability \$5,000,000 Agg Limit 10/01/11 – 10/01/12</p>	<p><u>Excess Liability</u> Great American Alliance Ins.. Co. \$4,000,000 Per Occ/Agg. 10/01/13 – 10/1/14</p>		<p><u>Automobile - XS Liab</u> Liberty Mutual \$4,000,000 Ag Limit 10/01/13 – 10/01/14</p>	<p><u>Excess Liability</u> Lexington Insurance Co. (Chartis) \$3,000,000 Agg. xs \$2,000,000 SIR 10/01/13 – 10/01/14</p>	
	<p><u>Tax Credit – Gen'l Liab.</u> Great American Assur Co. \$1,000,000 Per Occ. \$2,000,000 Agg Limit (per location) 10/01/13 – 10/01/14</p>	<p><u>Non-Profit Liab.</u> Great American \$1,000,000 Per Occ \$2,000,000 Agg Limit (per location) 10/01/13 – 10/01/14</p>	<p><u>KCHA Automobile</u> Continental Western Ins. Co. \$1,000,000 Any Auto 10/01/13 – 10/01/14</p>	<p><u>KCHA Gen. Liab.</u> HARRP \$2,000,000 Agg Limit 10/01/13 – 10/01/14</p>	<p><u>Sedro Woolley Liab.</u> HARRP \$2,000,000 Agg Limit 10/01/13 – 10/01/14</p>

<p><u>Fairwind Project</u> Mt Hawley Ins. Co. \$4,000,000 Per Occ/Agg 3/29/12 – 3/29/14</p>
<p><u>Fairwind Project</u> Mt Hawley Ins Co. \$1,000,000 Per Occ. \$2,000,000 Agg. Limit 3/29/12 – 3/29/14</p>

KCHA INSURANCE PROGRAM STRUCTURE 2013-14

OTHER POLICIES

NFIP Flood Policies – Pickering Ct.

Hartford Ins. Co of the Midwest

\$250,000 Building Limit (ea. location)
various Contents Limit

\$1,000 Deductible – Bldg (ea. bldg)
\$1,000 Deductible – Contents (ea. bldg)

Locations Covered:

400 Pickering Ct, Snoqualmie, WA
410 Pickering Ct, Snoqualmie, WA
420 Pickering Ct, Snoqualmie, WA
440 Pickering Ct, Snoqualmie, WA
445 Pickering Ct, Snoqualmie, WA
460 Pickering Ct, Snoqualmie, WA
480 Pickering Ct, Snoqualmie, WA
485 Pickering Ct, Snoqualmie, WA

\$17,354 Annual Premium

11/04/13 – 11/04/14

NFIP Flood Policies – Si View

Hartford Ins. Co of the Midwest

\$250,000 Building Limit (ea. location)
\$8,800 Contents (ea. location)

\$500 Deductible – Bldg (ea. bldg)
\$500 Deductible – Contents (ea. bldg)

Locations Covered:

404-410 Healy Ave S., North Bend, WA
414-420 Healy Ave S., North Bend, WA
424-430 Healy Ave S., North Bend, WA
454-460 Healy Ave S., North Bend, WA
444-450 Healy Ave S., North Bend, WA

\$6,145 Annual Premium

01/01/14 – 01/01/15

**Public Officials E&O &
Employment Prac. Liab.**
Illinois Union Ins Co. (ACE)

\$5,000,000 Agg. Limit

\$75,000 Retention

10/01/13 – 10/01/14

**Pollution Liability
Contractors (incl. E&O)**

Colony Ins. Co.

\$1,000,000 Aggregate Limit
\$5,000 Deductible – ea. Claim

10/01/13 – 10/01/16
(3 Year)

**Pollution Liability
Lora Lake**

Amer. Int'l Spec. (AIG)

\$15,000,000 Agg Limit

8/14/08 - 8/14/18

Ten Year