



**SPECIAL MEETING
OF THE
BOARD OF COMMISSIONERS**

August 18, 2016 at 8:30 a.m.

Via Conference Call
Snoqualmie Conference Room
600 Andover Park West
Tukwila, WA 98188

A G E N D A

- I. Call to Order**
- II. Roll Call**
- III. Approval of Minutes**
Board Meeting Minutes – July 25, 2016 **1**
- IV. Approval of Agenda**
- V. Resolutions for Discussion & Possible Action**
 - A. Resolution No. 5545:** A Resolution authorizing the Authority to obtain financing for energy efficiency improvements at properties owned by the Authority; authorizing the execution of related documents; and determining related matters **2**
 - B. Resolution No. 5546:** A Resolution relating to the Authority's revolving Line of Credit Revenue Note, 2015 (Tax-Exempt) and revolving Line of Credit Revenue Note, 2015 (Taxable), issued pursuant to Resolution No. 5504; authorizing an increase in combined principal amount, to not to exceed \$80,000,000 at any one time outstanding; authorizing the execution of related documents; and determining related matters **3**
- VI. Executive Director's Report**
- VII. KCHA in the News** **4**
- VIII. Commissioner Comments**
- IX. 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.

T A B N U M B E R

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

Monday, July 25, 2016

I. CALL TO ORDER

The Special Meeting of the Board of Commissioners of the King County Housing Authority was held on Monday, July 25, 2016 at the Nia Apartments (Greenbridge), 9935 8th Avenue SW, Seattle, WA 98106. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:31 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Michael Brown (Vice-Chair), Commissioner TerryLynn Stewart, Commissioner Susan Palmer (via telephone)

Excused: Commissioner John Welch

Staff: Stephen Norman (Secretary), Mark Abernathy, Craig Bartlett, Andrew Calkins, Connie Davis, John Eliason, Dan Landes, Trinh Nguyen, Beth Pearson, Mike Reilly, Jessica Olives, Jennifer Ramirez-Robson, Craig Violante, Tim Walter, and Dan Watson

Guests: Susan Stead, Insurance Broker (Parker, Smith & Feek)

Welcome

Asset Manager, Aaron Williams welcomed board members, staff and guests to the Nia Apartments facility. Mr. Williams provided a brief overview and background on the property pertaining to the development, maintenance and residents.

III. PUBLIC COMMENT

None.

IV. APPROVAL OF MINUTES

On motion by Commissioner Stewart and seconded by Commissioner Brown, the Board approved the minutes from the Board of Commissioners' meeting of June 20, 2016.

V. APPROVAL OF AGENDA

On motion by Commissioner Stewart and seconded by Commissioner Brown, the Board approved the July 25, 2016 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Report for May 2016 (General and Bond Properties)

May 2016	
GENERAL PROPERTIES	
Bank Wires / ACH Withdrawals	2,435,846.31
<i>Subtotal</i>	<i>2,435,846.31</i>
Accounts Payable Vouchers	
Key Bank Checks #302808-#303357	3,485,847.66
Tenant Accounting Checks #10115- #10138	5,587.46
Commerce Bank Direct Payment	114,539.54
<i>Subtotal</i>	<i>3,605,974.66</i>
Payroll Vouchers	
Checks - #90113 – #90140	27,524.82
Direct Deposit	1,263,827.58
<i>Subtotal</i>	<i>1,291,352.40</i>
Section 8 Program Vouchers	
Checks - #613829-#614127	210,307.26
ACH - #348131-#351088	10,147,217.46
<i>Subtotal</i>	<i>10,357,524.72</i>
Purchase Card / ACH Withdrawal	214,546.74
<i>Subtotal</i>	<i>214,546.74</i>
GRAND TOTAL	<i>17,905,244.83</i>
BOND PROPERTIES	
Bond Properties Total (30 different properties)	<i>7,959,991.29</i>

- B. Resolution No. 5540: A Resolution of the Housing Authority of the County of King authorizing the transfer of the Arbor Heights Apartments project from KCHA-Cones LP (the Company) to the Housing Authority, including, but not limited to the acquisition of the investor member interest in the Company's obligations, subsequent dissolution of the Company and all related matters.

and;

Resolution No. 5541: A Resolution of the Housing Authority of the County of King authorizing the transfer of the Southwood Square Apartments project from KCHA-Southwood Square LP (the Company) to the Housing Authority, including, but not limited to the acquisition of the investor member interest in the Company's obligations, subsequent dissolution of the Company and all related matters

On motion by Commissioner Stewart and seconded by Commissioner Brown, the Board approved the consent agenda.

VII. Executive Session (RCW 42.30.110(b) - purchase of real estate)

Chair Barnes called for an Executive Session at 8:46 a.m., as authorized by RCW 42.30.110(b) to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.

The meeting of the Board of Commissioners resumed at 9:05 a.m.

VIII. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5542: A Resolution authorizing the acquisition for the Highland Village Apartments

Chair Barnes stated that the approval of Resolution No. 5542 is in alignment with the Boards' goals to preserve and expand affordable housing availability in high opportunity neighborhoods and is a potential Transit Oriented Development.

Commissioner Palmer responded in favor of approval and indicated that preserving the Highland Village Apartments housing resource outweighs the risks. Commissioner Stewart concurred.

Chair Barnes asked that the evaluation percentage of 105% be added to Section 2 of Resolution No. 5542 to read as follows:

Section 2: The Board of Commissioners hereby authorizes the Executive Director to acquire the Property by condemnation through exercise of the Housing Authority's power of eminent domain, if it is unsuccessful in acquiring the Property on satisfactory terms through negotiation with and purchase from the owner in lieu of condemnation for a price which shall not exceed **105%** of an independent third party valuation of the Property. The Executive Director is hereby further vested with the authority, and with discretion in the exercise thereof, to give notice to both the current owner of the Property and the holder of the contractual right to purchase the Property, of the Housing Authority's intention to acquire the Property by eminent domain if it is unsuccessful in acquiring the Property on satisfactory terms through negotiation and purchase in lieu of condemnation.

On motion by Commissioner Brown, seconded by Commissioner Stewart, and abstention by Chair Barnes, the Board approved Resolution No. 5542.

- B. Resolution No. 5543: A Resolution providing for the issuance of revenue bonds of the Authority in the aggregate principal amount of not to exceed \$7,000,000, the proceeds of which will be used to make a loan to Corinthian TOD LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner; and determining related matters

Tim Walter, Senior Director of Acquisition and Asset Management presented Resolution No. 5543. Mr. Walter explained that in May 2016 the credit enhancement application to King County for a loan guarantee for the permanent finance of the Corinthian Apartments in SeaTac has been approved. Mr. Walter stated that approval of this Resolution would allow for the issuance of \$7,000,000 in tax-exempt bonds to provide permanent financing for a majority of the acquisition financing.

On motion by Commissioner Brown, seconded by Commissioner Stewart, the Board unanimously approved Resolution No. 5543.

- C. Resolution No. 5544: A Resolution authorizing the acquisition of the Abbey Ridge Apartments

Mr. Walter also presented Resolution No. 5544 and mentioned that Board approval would authorize the Executive Director to negotiate and enter into a purchase agreement for the Abbey Ridge Apartments. Mr. Walter provided background information on the property and stated that staff has identified Abbey Ridge as a potential Transit Oriented Development acquisition opportunity. The property is located .4 miles from the Angle Lake light rail station in SeaTac.

Mr. Walter further explained that the property was not for sale on the open market, but KCHA identified and reached out to the property owner. Mr. Walter stated that staff has entered into direct negotiations to purchase the property.

In response to Chair Barnes' question, Mr. Walter explained that the initial process for funding the transaction would be similar to the Highland Village Apartments and staff would attempt to secure Transit Oriented Development (TOD) funding.

Chair Barnes asked staff to clarify if there would be a funding issue since the Housing Authority is looking to conduct multiple projects requesting TOD funds.

Executive Director, Stephen Norman, explained the proposed permanent financing as it pertains to King County's hospitality tax revenue and funding availability for TOD housing.

Chair Barnes disclosed that although it has been at least 10 years since he has had any contractual relationships with the current owner of the property (Goodman Real Estate), there is no financial gain or other conflict of interest that would require him to abstain from voting.

On motion by Commissioner Stewart, seconded by Commissioner Brown, the Board unanimously approved Resolution No. 5544.

IX. BRIEFINGS & REPORT

A. Risk Management & Insurance Programs Update

Mark Abernathy, Risk Manager introduced his team members, Trinh Nguyen and Craig Bartlett along with Susan Stead, Insurance Broker from Parker Smith & Feek. Mr. Abernathy presented KCHA's 2016 Risk and Insurance Program annual review. Mr. Abernathy outlined KCHA's Risk Mitigation strategies, completed projects, future initiatives and history of claims as well as insurance costs.

B. Second Quarter 2016 Procurement Report

Connie Davis, Deputy Executive Director, presented the procurement activities for the Second Quarter in Calendar Year 2016 and discussed the most notable activity. Ms. Davis reminded the Board that the report represents the activity involved in the award of contracts over the amount of \$100,000 and change orders that cumulatively exceed 10% of the original contract amount.

C. Budget Forecast CY 2016

Craig Violante, Director of Finance presented the Midyear financial forecast for KCHA and provided an overview of changes to the Authority's adopted FY 2016 budget.

D. Second Quarter 2016 Summary Write-offs

Craig Violante also provided an update on the Summary Write-offs for the second quarter of FY 2016.

X. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman provided a briefing on the status of current home sales at Greenbridge and Seola Gardens, as a follow up to the Chairs' previous request.

XI. KCHA IN THE NEWS

None.

XII. COMMISSIONER COMMENTS

None.

XIII. ADJOURNMENT

On motion by Commissioner Stewart, seconded by Commissioner Brown, the Board adjourned the meeting at 10:13 a.m.

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

DOUGLAS BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

T A B N U M B E R



To: Board of Commissioners

From: Connie Davis, Deputy Executive Director

Date: August 15, 2016

Re: **Resolution No. 5545: Authorizing the Authority to obtain financing for energy efficiency improvements at properties owned by the Authority; authorizing the execution of related documents; and determining related matters**

Executive Summary

Resolution No. 5545 authorizes the issuance by KCHA of up to \$10.5 million in Qualified Energy Conservation Bonds (QECBs) to provide permanent financing for approximately 45% of the cost of the Authority's Energy Performance Contract (EPC). The total EPC project cost is estimated at \$23 million, and the remaining permanent financing will be provided by KCHA through its Moving to Work or local, non-federal funds.

Background

In December 2015 the Commissioners authorized KCHA to have the Washington State Department of Enterprise Services' execute, on KCHA's behalf, an EPC with Johnson Controls (JCI) and to begin arranging project financing, with financing terms to be approved by the Board. EPC execution occurred in January 26, 2016.

At the July Board meeting, Commissioners were informed that final vendor selection and project pricing have been continuing over the spring and summer. Installation of energy performance measures has begun at two properties, using interim financing from KCHA which will be paid off by the permanent financing.

QECBs are a form of bond financing used by state and local governments to finance qualified energy efficiency projects. The loan payments on these bonds bear interest at a taxable market rate but the Internal Revenue Service offers a direct cash subsidy to the bond issuer (KCHA) to reduce the interest cost. This subsidy is correlated with Treasury yields and is calculated as 70% of the qualified tax credit rate (quoted daily). The subsidy is further reduced by the effects of sequestration, currently at 7% for this program. As a rule of thumb, each percentage increase in sequestration decreases the subsidy by approximately .025%. Thus even major sequestration impacts have only nominal effects on the net costs of the QECBs. Recently this subsidy has ranged between 2.5 and 3%.

JCI has worked with KCHA to complete a financing RFP for this project and identified a potential investor, through Stifel Nicolaus, who would purchase the full amount of the QECBs. The investor, Hannon Armstrong, is prepared to buy the QECBs at an indicative market rate of 4.25% over the 20 year project term. Under current Treasury rates and sequestration rates, KCHA will receive a 2.62% direct subsidy payment, resulting in a net

effective rate of 1.63% which is an excellent 20-year rate. The bonds would be secured by a lease purchase agreement and a general revenue pledge from KCHA.

KCHA's quoted gross rate from the investor of 4.25% is fixed at the date of the agreement, and is currently locked until September 2. Fluctuating interest rates upon which the IRS subsidy is calculated are a risk of the QECB structure. Depending on annual sequestration, KCHA's net interest rate paid on these bonds will vary over the 20 year term. This risk is considered acceptable based on the limited impact sequestration would have on the subsidy rates as mentioned above.

Staff Recommendation

If approved by the Board, KCHA will issue the bonds within the next 30-45 days. The funds will be fully advanced to KCHA who will relend the proceeds into the project at a fixed rate of 5%. KCHA also intends to lend the project approximately \$12.5 million in MTW excess block grant working capital or local non-federal funds at the same 5% rate in order to cover the total estimated project cost. The Board will be asked to approve this internal loan to the EPC prior to the end of calendar year 2016. The loaned proceeds will pay for installation and related costs of the energy performance measures. Repayment of the internal non-QECB loan from project savings will have first priority over the initial term of the EPC. Because HUD requires an EPC to have debt throughout the life of the project, the QECBs will be repaid in full over the remaining years of the 20 year project term.

As of the date of the Board book mailing, attorneys for both sides continued to refine the form of Resolution No. 5545. It will be finalized and provided at the Board meeting, including a black line indicating changes from the provided draft.

Staff recommends approval of Resolution 5545.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5545

(Energy Efficiency Improvements Financing)

A RESOLUTION authorizing the Authority to obtain financing for energy efficiency improvements at properties owned by the Authority; authorizing the execution of related documents; and determining related matters.

ADOPTED August 18, 2016

This document was prepared by:

*FOSTER PEPPER PLLC
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5545

A RESOLUTION authorizing the Authority to obtain financing for energy efficiency improvements at properties owned by the Authority; authorizing the execution of related documents; and determining related matters.

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

WHEREAS, RCW 35.82.070(2) provides that a housing authority may acquire 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 38.82.070(5) provides that a housing authority may “purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise . . . any real or personal property or any interest therein”; and

WHEREAS, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, under Section 54A and 54D of the Internal Revenue Code of 1986, as amended (the “Code”), enacted by the Energy Improvement and Extension Act of 2008 and the American Recovery and Reinvestment Act of 2009 (together “ARRA”), the federal government authorized a tax credit program under which state and local governments may issue taxable Qualified Energy Conservation Bonds for the purpose of “implementing green community programs (including the use of loans, grants, or other repayment mechanisms to implement such programs);” and

WHEREAS, the County has adopted its Green Communities Initiative, offering access to Qualified Energy Conservation Bond financing for projects that meet established criteria and provide energy and other environmental benefits in the County; and

WHEREAS, by its letter dated March 10, 2016, the Washington State Housing Finance Commission (the “Commission”) allocated up to \$10,464,528.95 of State of Washington Volume Cap for Qualified Energy Conservation Bonds to the Authority, to allow the Authority to implement energy conservation measures for various properties owned by the Authority as part of the Green Community Initiative administered by the County; and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to enter into a lease-purchase agreement, in a principal amount not to exceed \$10,464,528.95, to provide for the acquisition and installation of energy conservation measures on properties owned by the Authority; and

WHEREAS, the Authority will designate the lease-purchase financing as a “Qualified Energy Conservation Bond” for qualified conservation purposes, and elect to apply the provisions of 6341(f) of the Code to such financing, with the intent of receiving federal subsidy payments relating thereto; and

WHEREAS, it is anticipated that the energy conservation measures will be provided by Johnson Controls, Inc. (the “Contractor”) and that Hannon Armstrong (the “Lessor”) will offer to finance the energy conservation measures pursuant to a lease-purchase agreement (the “Lease-Purchase Agreement”) to be entered into between the Authority and the Lessor under the terms and conditions set forth in this resolution; and

WHEREAS, RCW 35.82.040 provides that a housing authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of King as follows:

Section 1. Definitions. As used in this resolution, the following words have the following meanings:

“Authority” means the Housing Authority of the County of King, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

“Authorized Officer” means the Chair of the Board, Executive Director of the Authority, or any Deputy Executive Director of the Authority.

“Board” means the Board of Commissioners of the Authority.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contractor” means Johnson Controls, Inc., and its successors and assigns.

“Commission” means the Washington State Housing Finance Commission.

“County” means King County, Washington.

“General Revenues” means all revenues of the Authority from any source, but only to the extent that those revenues are available to amounts due under the Lease-Purchase Agreement and are not now or hereafter pledged, by law, regulation, contract, covenant, resolution, deed of trust or otherwise (including restrictions relating to funds made available to the Authority under the U.S. Housing Act of 1937), solely to another particular purpose.

“Lease Fund” means the Authority’s Energy Efficiency Improvements Lease-Purchase Financing Fund, 2016 created by Section 4 of this resolution for the purpose of paying the amounts due from the Authority under the Lease-Purchase Agreement.

“Lease-Purchase Agreement” means the lease-purchase agreement to be entered into by and between the Lessor and the Authority.

“Lessor” means Hannon Armstrong, and its successors and assigns.

“Project” means, depending on the context, (1) the acquisition and installation of energy conservation measures on Authority property, or (2) such energy conservation measures.

Section 2. Authorization of Lease-Purchase Agreement and Application of Proceeds.

The Authority shall enter into the Lease-Purchase Agreement in order to finance the Project in a principal amount not to exceed \$10,464,528.95. Such financing is declared and determined to be important for the feasibility of the Project. The Board finds that it is in the best interest of the Authority to enter into the Lease-Purchase Agreement for the purposes set forth in this resolution.

Section 3. Authorization of Lease-Purchase Agreement and Related Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Lease-Purchase Agreement and such other documents, instruments and agreements as may be necessary or desirable in connection with the Lease-Purchase Agreement or the Project. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Lease-Purchase Agreement and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the Lease-Purchase Agreement. The Authorized Officers, and each of them acting alone, are authorized and directed to do everything necessary for the Project and the lease-purchase financing contemplated by this resolution, and to execute and deliver, on behalf of the Authority, Lease-Purchase Agreement and any other documents that may be useful or necessary in connection with the Project and the lease-purchase financing contemplated by this resolution. The execution of any instrument by an Authorized Officer shall be conclusive evidence such instrument has been duly approved by such Authorized Officer.

Section 4. Security for the Authority's Obligations Under the Lease-Purchase Agreement. The Lease Fund is hereby established as a special fund of the Authority and is to be known as the Energy Efficiency Improvements Lease-Purchase Financing Fund, 2016. The Lease Fund is to be drawn upon for the sole purpose of paying the amounts due from the Authority under the Lease-Purchase Agreement. The Authority irrevocably obligates and binds itself to set aside and pay into the Lease Fund from General Revenues money sufficient in amount to pay payments due from the Authority under the Lease-Purchase Agreement when due.

The Lease-Purchase Agreement shall not be a debt of the County, the State or any political subdivision thereof, and the Lease-Purchase Agreement shall so state on its face. Neither the County, the State nor any political subdivision thereof (except the Authority, from the sources identified herein) shall be liable for payment of obligations under the Lease-Purchase Agreement nor in any event shall payments due under the Lease-Purchase Agreement be payable out of any funds or assets other than those pledged to that purpose by the Authority. The Authority has no taxing power.

The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with the Lease-Purchase Agreement. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made under the Lease-Purchase Agreement with respect to that portion of the General Revenues so pledged.

Neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Lease-Purchase Agreement.

Section 5. Election to Treat the Lease-Purchase Financing as Taxable Qualified Energy Conservation Bond – Direct Payment. The Authority hereby irrevocably elects to have Section 6431(f)(3) of the Code apply to the lease-purchase financing described herein so that such financing is treated as a “specified tax credit bond” that is a “qualified bond” with respect to which the Authority will be eligible to receive federal subsidy payments in an amount equal to the lesser of (i) the amount of interest payable under the Lease-Purchase Agreement on each interest payment date or (ii) 70% of the amount of interest that would have been payable under the Lease-Purchase Agreement on each interest payment date if such interest were determined at a rate equal to the tax credit rate determined under Section 54A(b)(3) of the Code.

Section 6. Project Part of County’s Green Community Initiative and Commission’s Green Community Program. The Project has been approved as meeting the standards developed as part of the Green Community Initiative administered by the County, and will be used to implement the Commission’s Green Community Program.

Section 7. 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 8. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

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 thereof this 18th day of August, 2016.

HOUSING AUTHORITY OF THE COUNTY OF
KING

By: _____

Douglas J. Barnes, Chair

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. ____ (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 August ____, 2016, 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 administrative 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 ____ day of August, 2016.

Stephen Norman, Secretary and Executive Director
of the Authority

CERTIFICATE

APPENDIX I

T A B N U M B E R

3



TO: Board of Commissioners

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

Date August 15, 2016

Re: **Resolution No. 5546: Authorization for the Executive Director to increase and extend the existing Line of Credit with KeyBank for general development purposes**

Executive Summary

Resolution No. 5546 authorizes the Executive Director to increase the Authority's existing \$50 million revolving general development line of credit (LOC) with KeyBank to \$80 million and to extend the maturity of the facility.

Background

In April, 2015 the Board of Commissioners approved Resolution No. 5504 which authorized the issuance of a \$50 million general development line of credit with KeyBank to provide interim acquisition, refinance and development financing for the Authority. Since April, 2015 KCHA has financed three properties (Corinthian Apartments, Villages at South Station and Woodcreek Lane), refinanced a seller note associated with Somerset Gardens and financed the assignment of the Highland Village purchase agreement with Intracorp. The current balance on the line of credit is \$50 million.

KeyBank has agreed to increase the existing line of credit from \$50 million to \$80 million, in a combination of taxable and tax-exempt debt, on the same terms and conditions including the existing interest rate formulae and to extend the term of the existing facility for one year beyond its current maturity of June 30, 2017 to June 30, 2018. The resolution further permits the Executive Director to annually renew the facility, as mutually agreed by the Bank and KCHA, through 2023.

Staff Recommendation

The increase in the line of credit will allow KCHA access to financing for the acquisition of the Highland Village and Abbey Ridge Apartments. The long-term financing strategies for both Abbey Ridge and Highland Village were described in their respective project profiles which were reviewed by the Board when the Board approved the acquisition of the two properties last month.

The current indicative tax-exempt rate for the line of credit is 1.15%, which represents an excellent borrowing rate for the Authority; however, the line of credit is a variable rate credit facility and as such is subject to interest rate fluctuation.

While rates have been low, there is the chance interest rates will rise which would result in an increase in the borrowing costs associated with the line of credit. In the last five years, the one-month LIBOR rate, which is the basis for the variable rate interest rate formulae, has ranged between .22% and .51% (.51% is the current rate). For every 10 basis point increase in the one-month LIBOR rate (.10%), the increase in the interest rate on the line of credit is approximately .07%. While an increase in short-term borrowing rates may be more likely than a decrease, even if the one-month LIBOR rate were to triple from .51% to 1.53%, the tax-exempt rate on the line of credit would only increase from 1.15% to 1.80% which is still an exceptional borrowing rate for the Authority, and one that is supportable from the cash flow on these acquisitions.

Passage of Resolution No. 5546 is recommended.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5546

(Revolving Line of Credit Revenue Notes, 2015 (Tax-Exempt) and (Taxable))

A RESOLUTION relating to the Authority's Revolving Line of Credit Revenue Note, 2015 (Tax-Exempt) and Revolving Line of Credit Revenue Note, 2015 (Taxable), issued pursuant to Resolution No. 5504; authorizing an increase in combined principal amount to an amount not to exceed \$80,000,000 at any one time outstanding and other modifications of the Notes; authorizing the execution of related documents; and determining related matters.

ADOPTED August 18, 2016

*This document was prepared by:
FOSTER PEPPER PLLC
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5546

(Revolving Line of Credit Revenue Notes, 2015 (Tax-Exempt) and (Taxable))

A RESOLUTION relating to the Authority's Revolving Line of Credit Revenue Note, 2015 (Tax-Exempt) and Revolving Line of Credit Revenue Note, 2015 (Taxable), issued pursuant to Resolution No. 5504; authorizing an increase in combined principal amount to an amount not to exceed \$80,000,000 at any one time outstanding and other modifications of the Notes; authorizing the execution of related documents; and determining related matters.

WHEREAS, pursuant to Resolution No. 5504 (the "Note Resolution"), adopted on April 20, 2015, by the Board of Commissioners (the "Board") of the Housing Authority of the County of King (the "Authority"), the Authority issued and delivered to KeyBank National Association (the "Bank") two revolving line of credit notes of the Authority (together, the "Notes") known as Housing Authority of the County of King Revolving Line of Credit Revenue Note, 2015 (Tax-Exempt) and the Housing Authority of the County of King Revolving Line of Credit Revenue Note, 2015 (Taxable) in a combined principal amount of not to exceed \$50,000,000 at any one time outstanding, for the purpose of financing or refinancing costs of the acquisition, construction and/or rehabilitation of housing and related facilities; and

WHEREAS, the Bank has offered to increase the principal amount of the Notes to a combined amount not to exceed \$80,000,000 at any one time outstanding; and

WHEREAS, the Board of Commissioners of the Authority has determined that it is in the best interest of the Authority to accept such offer and to authorize additional extensions and modifications of the Notes; NOW, THEREFORE,

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

Section 1. Definitions. All capitalized terms used but not defined in this resolution shall have the meanings set forth in Note Resolution.

Section 2. Authorization for Modification of Notes and Extensions of the Notes. The Executive Director of the Authority is authorized, without further action of the Board but with the consent and approval of the Bank, in the Bank's sole discretion, to (A) modify the principal amount of the Notes to a combined amount of not to exceed \$80,000,000 at any one time outstanding; (B) extend the then-current maturity date of the Notes to any date on or before December 31, 2023; (C) modify the interest rate or interest rate formulae applicable to Draws on the Notes; and (D) change the title of either or both Notes, if the Executive Director determines that such modification and/or extension is in the best interest of the Authority. The Executive Director is authorized to do everything necessary in connection with such extensions of maturity and modifications of the Notes, including but not limited to the negotiation, execution and delivery of such documents and payment of Bank fees. Execution of documents in connection with the modification or extension of the Notes as described herein by the Executive Director will constitute conclusive evidence of his or her approval of the extensions and/or modifications described therein and the approval of the Authority of such extensions and/or modifications.

Section 3. 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 4. Resolution No. 5504 in Full Force and Effect. This resolution supplements the authorization contained in the Note Resolution. Notwithstanding the adoption of this resolution, all of the provisions of the Note Resolution shall remain in full force and effect.

Section 5. 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 6. 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 18th day of August, 2016.

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 copy of Resolution No. 5546 (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 August 18, 2016, 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 administrative 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 18th day of August, 2016.

Stephen Norman, Secretary and Executive Director
of the Authority

CERTIFICATE

APPENDIX I

T A B N U M B E R

KCHA IN THE NEWS

Kent, WA
(King Co.)

Bellevue Reporter
(Cir. W. 39,248)

JUL 15 2016

Allen's P.C.B. Est. 1888

Advisory group, council tackle affordable housing

Council to decide direction on housing this month

BY RYAN MURRAY

rmurray@bellevuereporter.com

This summer, the Bellevue City Council will have to answer some major questions about the direction of affordable housing in the city.

Who can afford to live here? How can Bellevue keep workers who make less than the area median income? How are housing prices affecting health, jobs and traffic?

According to Mike Katterman, the city's senior planner of the affordable housing strategy, a technical advisory group is working on those questions and then seeking council thoughts and approval

before it takes a break in August.

"The purpose of the strategy is to come up with a list of actions," he said. "We'll have general approaches and concepts before we take it to council."

The picture of affordable housing in Bellevue is bleak for those making under the city's average wages.

The average household income in King County is \$88,000 a year. Minimum wage employees in Bellevue earn less than \$20,000 annually. There are more than 9,100 households in the city that make less than 50 percent of the area median income (AMI) — that is, less than \$44,000 per household, per year, according to King County Housing Authority and city of Bellevue data.

More than 30 percent of Bellevue households are at least "cost burdened" by rent or mortgage according to Katterman, which

means those households pay more than 30 percent of income on housing. More than one half of senior citizen renters in the city are cost burdened by housing costs.

But, there is hope.

Councilmember Lynne Robinson has been at the tip of the spear for the council on affordable housing, working with other leaders on the issue in the area.

At a June 23 forum with members of the technical advisory group and the public, Robinson reminded residents of the costs of lack of affordable housing.

"If people can't afford to live here, that means we have more people coming to work and therefore more traffic," she said. "We need to have affordable housing across a range of incomes."

During the July 11 City Council

SEE HOUSING, 6

AUGUST 5, 2016

Homelessness isn't about 'bad decisions'



Response to: July 1
Bob Wallace column on
homelessness bizj.us/1n5y22

I am dismayed by Bob Wallace's July 1 column, "Bad Programs Don't Help Homeless Issue," and the approach it represents to responding to our Homelessness State of Emergency. He argues people are homeless because they made bad decisions. Come on Bob – most of us have made some bad decisions in our lives, but you and I have a safety net protecting us. The rise of homelessness is bigger than the choices any one person makes. The facts show us three main drivers of homelessness:

Affordable Housing: In the last year, Seattle saw the greatest rent increase of any big city in the country. Anyone looking for a rental home no doubt felt the impact. A prominent national study shows that every \$100 increase in rents leads to a 15 percent increase in homelessness. More than 45,000 families in Seattle spend half of their income on rent, leaving little wiggle room for when something goes wrong – such as a job loss or medical emergency – that jeopardizes their housing stability. As we look at the skyline of cranes and construction in King County, we need to ensure we are building affordable housing as well. With limited housing stock and skyrocketing rents, it is not a mystery why we are seeing an increase in homelessness

Mental Health: Our country began cutting mental health services



Sonya Campion is the President of the Campion Advocacy Fund which focuses on advocacy and systems change to end homelessness.

during the Reagan Administration. Compounded by additional cuts during the Great Recession, Washington state now ranks 47th among states in providing adequate mental health care, according to Mental Health America. Wallace's argument that homeless mentally ill people are choosing to squander our tax dollars and support is out of touch with reality.

Income Inequality: A recent report from the National Low Income Housing Coalition showed that a person has to make \$23.56 an hour in King County to afford a one bedroom apartment. Even with the move to raise the local minimum wage to \$15 an hour, there is still a huge disparity between what people get paid and what they can afford to pay for housing. The disparities are even wider for persons of color. In King County, the average household income for white residents is just over \$74,700 per year, while the average household income for black residents is \$38,700.

But there is hope. As a board member for the YWCA, I see many smart housing projects leveraging private dollars and

government funding to be part of the solution. The YWCA Passage Point supportive housing campus in Maple Valley helps parents facing homelessness after incarceration reunite with their children. This program provides a stable environment for parents, decreasing the chances of recidivism. Since the facility opened in 2012, Passage Point has saved Washington state nearly \$600,000 annually in avoided prison time and foster care.

This is just one example of the extraordinary and creative housing solutions emerging across our region and I encourage property developers like Mr. Wallace to bring their innovative, entrepreneurial success to expand housing to those who need it most.

Finally, we can't just blame "bad programs." Between 2013 and 2014 our local service providers, government partners, and philanthropic community moved more than 20,000 of our neighbors from homelessness to stable housing. However, it isn't enough. According to All Home, shelter occupancy on any given night is 98 percent. We are at capacity in our response system and need to do more.

Rather than demonize and label vulnerable people on the street as lazy, I hope that we can bring our best selves to address this crisis with grit and grace. I'm a person who sees the tents and desperation of so many people around me and thinks, "There by the grace of God go I. That could be my son, daughter, or brother, sister. What can I do to help?" I encourage everyone in our community to look closer and become part of humane solutions to this human problem.

HOUSING

CONTINUED FROM PAGE 1

meeting, the members of the council heard a brief, informative presentation priming them for a major decision in a few weeks when the council will decide what actions to take with Bellevue's affordable housing strategy.

One idea floated included incentivizing developers to build affordable housing for those making 70 percent, 50

percent or even 30 percent of the AMI. Organizations like Imagine Housing and A Regional Coalition of Housing have limited funds to provide housing to those who live and work on the Eastside.

In the city's 2015 human services survey, 68 percent of the 423 respondents said affordable housing was the No. 1 issue facing Bellevue, compared to 51 percent in 2013. According to census and housing data, Bellevue residents making less than half the AMI comprised 17

percent of the population, yet only 6 percent of all housing in the city was affordable on what they made. To plug that "gap," more than 3,100 units would need to be constructed.

This was brought to light at City Hall when residents of Highland Village spoke on July 11.

These residents are facing an eviction date of Oct. 31 as a pending project to tear the 76 low- to middle-income units down to build 87 middle-income units. The residents have been allotted

\$3,500 by the developer to help relocate, but that's barely two months of average rent in Bellevue.

According to Taylor Marr, a data scientist for real estate site Redfin, there aren't a lot of places for lower-income people in the city to rent or to buy.

According to Marr's data, the average house for sale in Bellevue is snapped up in just seven days at over asking price. The average new condo built in the city sells for \$850,000 while the average existing condominium sells for just \$290,000. He said that less than 20 percent of all sold units in the city fit under the "affordable" guideline.

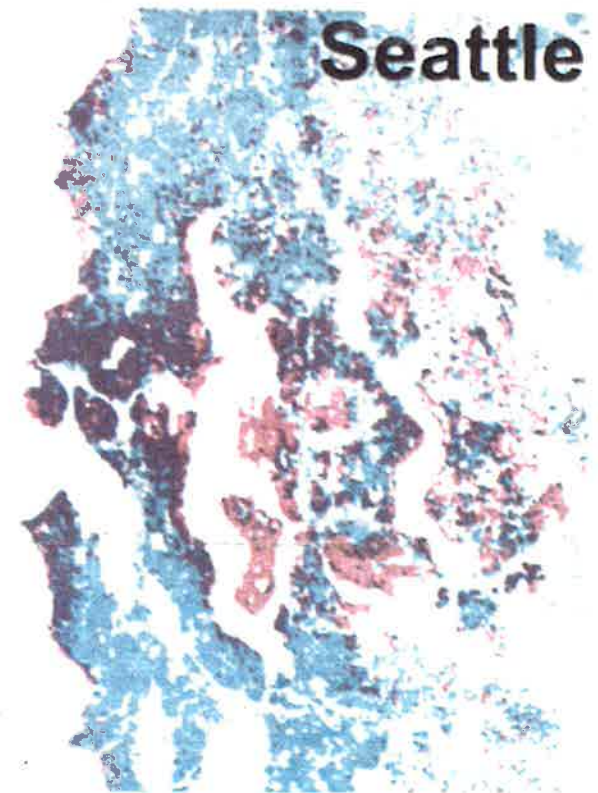
Tim Walter, a public housing representative with the King County Housing Authority, said that to "afford" average rent in Bellevue (\$1,718 a month), a renting household would need to earn \$75,000 a year. The average teacher in the Bellevue School District makes \$68,000 annually.

The disconnect between lower-paid professions and a popular employment destination like Bellevue wasn't lost on the technical advisory group. According to speakers at the forum, not only do developers

make their money back much more slowly with "affordable" housing set at different levels, but if high-end apartments and condos are not built at a commensurate rate with the influx of well-paid technology employees, those employees

will grab lower-end housing and further gut the limited supply for those not making AMI.

The Bellevue City Council will provide guidance to staff and the technical advisory group on how to proceed with this issue.



Courtesy of Redfin.com

This map shows housing affordability in King County, with a bright patch of red "unaffordable" on the Eastside.

news | AUGUST 6, 2016 **B**

Agreement lifts eviction threat against low-income in Bellevue

HOUSING AUTHORITY PURCHASES APARTMENTS

Developer who planned to raze buildings agrees to sale

By LYNN THOMPSON
Seattle Times staff reporter

Dozens of low-income families facing eviction from their apartments in Bellevue won't have to

leave their homes after all.

King County Housing Authority notified the 76 residents of the Highland Village apartments Friday evening that it had reached an

agreement with a developer who had planned to turn the property into 87 town homes, selling from \$650,000 to \$900,000 each.

"For a private business to change its plans in response to community concerns and forgo substantial future financial gain is extraordinary," said Stephen Norman, executive director of the Housing Authority.

A number of local governments, including Bellevue, King County and the Legislature, committed housing funds to help the Housing Authority purchase the apartment buildings. The property is appraised at \$14 million, according to the King County Assessor. The purchase price was \$20 million,

See > **HOUSING, B3**

< Housing

FROM B1

Norman said.

Calls to Seattle-based Intracorp weren't answered Friday night.

Residents were notified in May that the apartment complex, 12 buildings on 4.5 acres between downtown and Crossroads shopping center, would be torn down and replaced by high-end local builder, Intracorp.

The city of Bellevue said that the mostly Latino residents were given until Oct. 31 to move out and offered \$3,500 each to help pay relocation costs.

But with average rents in Bellevue now about \$1,930, families faced a difficult search for anything affordable in the area. The rents at Highland Village are about \$1,200 a month. About 85 children, many enrolled in Bellevue public schools, live with their families in the complex.

"Housing prices on the Eastside are skyrocketing," said Metropolitan King County Councilmember Claudia Balducci, who lives in the East Bellevue neighborhood. "Losing the Highland Village apartments would have meant hardship for these families. I'm really excited they get to stay."

The Housing Authority told residents that it will survey the condition of each unit and prioritize repairs, once it acquires the apartments in early September. It estimated the renovations could take up to two years.

The authority also reassured residents at a meeting at Stevenson Elementary School Friday that most, if not all, of the families will meet the income requirements to stay. A family would have to be earning

more than about \$48,000 a year to no longer qualify for the housing, Norman said.

The Housing Authority promised to keep rents at or near their current levels.

The threat of eviction of a large number of low-income families came just as the Bellevue City Council was studying how to add and preserve more housing for the city's many retail workers, recent college graduates and seniors.

According to a report prepared for the City Council council earlier this year, about 17 percent of Bellevue households earn less than \$44,000 a year but only 6 percent of the housing is affordable to them.

The council expects to identify strategies to develop and retain affordable housing by December. Bellevue leaders have said they want to preserve single-family neighborhoods while developing housing options affordable to residents across all income levels, including low- and moderate-income.

Fifteen Eastside cities contribute annually to ARCH, A Regional Coalition for Housing, a government agency that pools money and works with affordable-housing providers to build and preserve housing.

But while Seattle just voted to renew its housing levy, doubling the amount raised annually to more than \$40 million a year, the Eastside cities' contributions to the ARCH trust fund totals about \$1.5 million annually, an amount that has remained flat over the past decade.

Seattle Times reporter Mike Rosenberg and news researcher Miyoko Wolf contributed to this report.

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@lthompsontimes*

\$20 million sale allows low-income families to stay at Highland Village



staff photo - ' title='Eighty-six of Bellevue's poorest families, who previously faced eviction from the Highland Village Apartments, will now get to stay in their homes thanks to an agreement between King County Housing Authority and developer Intracorp. Ryan Murray/staff photo' border='0' />

Eighty-six of Bellevue's poorest families, who previously faced eviction from the Highland Village Apartments, will now get to stay in their homes thanks to an agreement between King County Housing Authority and developer Intracorp. Ryan Murray/staff photo — *Image Credit:*

by [RYAN MURRAY](#), Bellevue Reporter Staff Writer
Aug 8, 2016 at 12:00AM [updated Aug 9, 2016 at 12:43PM](#)

The 86 low-income families of the Highland Village Apartments received good news on the night of Friday, Aug. 5.

The families, many of whom speak English as a second language, were facing eviction by the end of October. That changed Friday.

"Your neighborhood is saved," said state Rep. Joan McBride, D-Kirkland, before almost being drowned out in the thunderous applause. "Apparently, we don't need an interpreter to say nobody has to move!"

After public outcry, frantic nonprofit and governmental scrambling and media coverage, the King County Housing Authority plans to buy the apartment complex for \$20 million by Labor Day from developer Intracorp, saving below-market housing for 86 families in 76 units.

The announcement that the families would not have to move caused some residents to stand up and dance, while others cheered and clapped. Nearly all of them were wearing blue in solidarity.

Bellevue Mayor John Stokes expressed his pleasure at keeping the families in the city.

"Bellevue is thoroughly committed to affordable housing and we want to make sure you stay a part of our community," he said at the meeting. "I know it's been very tough on you the last couple of months, but you really brought this community together. I'm glad we are able to make a tragic thing positive."

Rents will not increase in the near future and significant repairs will be made in the next year, the King County Housing Authority said.

"This is about a community coming together," said the housing authority's Executive Director Stephen Norman. "So don't stop. Government does best when the people tell government what they should do. Nobody has to move. All the notices to vacate are 'muerto' (dead). Nobody's rent is going up."

He thanked the developer in an earlier press release.

"For a private business to change its plans in response to community concerns and forego substantial future financial gain is extraordinary and we applaud them for helping us fulfill our mission," Norman wrote.

Intracorp, the developer who purchased the Highland Village property, plans to sell it for below the appraised value to the housing authority. It had planned to raze the current 12 buildings and erect 87 townhomes selling for between \$650,000 and \$900,000 each. The developer into a buzzsaw of opposition.

While the property was appraised in the past and reported in other media outlets as worth \$14 million, a recent third-party appraiser valued the 4.48-acre property at \$22 million.

"The contract price of the land at \$22 million is clearly reasonable given the likely returns on cost and capital," wrote Bryan R. O'Connor, representing O'Connor Consulting Group. "I would expect that any number of developers would be highly attracted to this development opportunity."

Intracorp sold the property for less than they might have got on the open market.

"They actually may be able to take a charitable deduction," said Dan Watson, chief development officer for the housing authority.

Intracorp did not respond to the *Reporter's* request for comment by Monday afternoon.

The new agreement allows the 76 apartments to remain permanently as affordable housing — and authorizes the low-income families to continue living there.

Rhonda Rosenberg, director of communications for the housing authority, said that major repairs would be made for a year before seeking Low Income Housing tax credits. These would place a financial cap on the apartments (at about 60 percent of the area median income), but she said most of the families already met that criteria and would be able to stay.

"The comparative value of doing this now is a lot cheaper than losing the housing and building it fresh," she said. "A lot of people want us to put affordable housing clustered together in South County, but we want it equally distributed. We want affordable housing in Kenmore and Woodinville and Bellevue."

King County Councilmember Claudia Balducci was impressed by the community's movement and by the governmental response.

"Doing something like this usually does not move this quickly," she said. "The fact that we were able to pull together and work on this so fast is an amazing accomplishment, and it happened because you all got together and spoke out."

Bellevue Councilmembers Vandana Slatter and Lynne Robinson also worked with the county and the state and local organizations to make the purchase happen.

Jerry Kroon, executive director of the Eastside Legal Assistance Program, said his organization and other groups such as Jubilee Reach, Eastside Pathways, Sea Mar and Lifespring had been advocates for the families from the jumping off point. He said it was nice for all parties to feel like they had done something good.

"[Intracorp] didn't know what kind of hornet's nest they had stepped into," he said. "And once they found that out, they talked about how to gracefully back out of this. Government agencies worked with them so they didn't lose their shirts on the thing. It's nice when everyone comes out a winner."

Of the \$20 million purchasing price, King County Housing Authority is putting in \$3.5 million of its own non-federal money with an additional \$9.5 million obligation. Watson said that left \$7 million total for the city of Bellevue, King County and the state of Washington to help split up the project.

King County Housing Authority plans to complete the acquisition of the property within the next 30 days and renovate the property over the next two years, while keeping the rents at or near their current affordable levels.

Highland Village is located on the Metro Bus Rapid Ride line located on Northeast Eighth Street in Bellevue, one block west of the 148th Avenue Northeast intersection.

RYAN MURRAY, Bellevue Reporter Staff Writer
rmurray@bellevuereporter.com or 425-453-4290

Find this article at:

<http://www.bellevuereporter.com/news/389345941.html>

☐ Check the box to include the list of links referenced in the article.

KCHA buys apartment complex in Bellevue

Seattle Daily Journal of Commerce

Tuesday, August 9, 2016

■ Renovating the 12 buildings in Highland Village is expected to cost between \$4 million and \$5 million.

By JOURNAL STAFF

King County Housing Authority said it has reached an agreement with Intracorp Cos. to preserve the Highland Village apartments as affordable housing.

The 76-unit complex is at 600 146th Ave. N.E. in Bellevue.

Intracorp had planned to demolish the 38-year-old apartments to make way for an 87-unit townhouse development.

KCHA is purchasing the 4.5-acre property for \$20 million, though it was appraised at \$22 million, according to the housing authority.

KCHA plans to complete the acquisition within the next 30 days and renovate the property

over the next two years. KCHA expects to keep rents at or near their current affordable levels, and wants the current tenants to remain.

The average rent in Bellevue is \$1,930 a month, while the average rent at Highland Village is \$1,200 a month.

"We are pleased to have been able to reach an agreement with Intracorp that will allow us to preserve a critical affordable housing resource in Bellevue," said KCHA Executive Director Stephen Norman in a statement.

"For a private business to change its plans in response to

See KCHA — page 8

WEDNESDAY - A&E

THURSDAY - Real Estate

KCHA

Continued from page 1

community concerns and forego substantial future financial gain is extraordinary and we applaud them for helping us fulfill our mission."

The 12-building complex has a mix of one-, two- and three-bedroom units that average around 1,000 square feet, according to public records.

Renovation costs are expected to be \$4 million to \$5 million.

The project is being funded through a line of credit and \$3.5 million of equity from KCHA's working capital reserves and partnerships with several gov-

ernment entities.

KCHA spokeswoman Rhonda Rosenberg said the housing authority purchased the property at the behest of the city of Bellevue, King County and the state.

KCHA hopes to obtain \$2 million from the city of Bellevue and \$1.5 million from the state Legislature. The apartments are on King County Metro's RapidRide B line, so KCHA will also seek \$3.5 million from King County's competitive transit-oriented development funding process.

In addition, KCHA will refinance with low-income housing

tax credits and long-term debt.

KCHA has a long history of acquiring properties for affordable housing. The housing authority currently has more than 9,000 units of purchased housing, including the recently acquired The Villages at South Station in Tukwila, the Corinthian in SeaTac, Patricia Harris Manor in Redmond, and Bellevue Manor in Bellevue.

This article contains material from The Associated Press.

HEAD START NEEDED FOR BELLEVUE'S NEEDIEST

BELLEVUE schools supporters are aggressively fundraising to reverse an unexpected elimination of the district's Head Start program serving prekindergartners from low-income households. The worthy campaign is a dual opportunity for Bellevue: educating kids who need a boost and educating the community about the challenges of its neediest residents.

With little notice, the 151 spots in the Bellevue School District's Head Start program were eliminated last month. The cuts were shared across the region and were due to rule changes in the federal Head Start program and a decision by the regional Puget Sound Educational Services District, which administers the program; Bellevue had fewer poor kids than needier neighbors.

But the cut fell especially hard on Bellevue: It absorbed 151 of the 399 Head Start slots cut across Pierce and King counties. And the cuts hurt poor kids, regardless of where they live. To be eligible for Head Start, a family of four had to make less than \$24,250 a year. Try to survive in Bellevue on that.

The Bellevue Schools Foundation launched a \$575,000 fundraising drive to keep the program alive. This week, the Bellevue School District stepped up to fund 65 of the slots, effectively finding loose change in a budget that had already been written. Other agencies also chipped in, reducing the shortfall to 81 slots, according to the district.

The foundation is asking for underwriters — \$5,000 would keep a kid in Head Start for the year. Bellevue Schools Foundation Executive Director Lynn Jurel cites undisputed

research that high-quality prekindergarten education provides a rocket boost for kids, especially those from low-income homes. "It's one of the most powerful things you can do for children and their education," she said.

The emergency should also make Bellevue recognize the poverty lurking beneath its sleek veneer. One in five Bellevue students is eligible for a free or reduced-price lunch, and the poverty rate is increasing. As high as rent is in Seattle, rent is higher in Bellevue: The median rent for a one-bedroom apartment is \$2,080, up 5.6 percent from last year, according to the website Curbed.

To make matters worse, some of the Head Start children affected by the cut live in an affordable 76-unit apartment complex near Crossroads, called Highland Village. It is scheduled for demolition and will be replaced by townhomes priced up to \$900,000, according to the Bellevue Reporter.

Neon-colored signs now dot windows in Highland Village, protesting the scheduled demolition: "I am Bellevue."

Indeed. Saving the Head Start slots is a start. But Bellevue must also wrestle with the poverty that is real, growing and widening the economic divide.



King County

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Solid Waste Division

reduce, reuse, recycle

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Garbage

Recycling

Yard Waste

Recycle More. It's Easy To Do.

Bag your Bags, Bring 'em Back

Best Workplaces for Waste Prevention and Recycling

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Project Driveway

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In the News

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Recycle More.

It's Easy to Do.



Tenth annual Best Workplaces for Waste Prevention and Recycling

Each spring, businesses throughout King County, outside of the City of Seattle, are invited to apply for recognition as a Best Workplace for Waste Prevention and Recycling. This year, King County's Solid Waste Division has named 112 local businesses to its tenth annual list of Best Workplaces.

The 2016 list spans a wide array of businesses in King County – from multi-family housing to transportation. Innovative recycling and waste reduction strategies come in many forms from education to changing manufacturing practices. Some notable practices include Alaska Airlines implementing an on-board coffee ground composting program on all flights, Redhook Ale Brewery changing the design of their product packaging to use less cardboard, and Blueprint Consulting, LLC's internal recycling competitions that aim to positively influence waste reduction behaviors in the office.

Each of the 2016 Best Workplace businesses listed has shown exceptional commitment to



Re-Innovator Award
Special congratulations to [Industries, Ltd.](#) for receiving the Re-Innovator award!



recycling and reducing the amount of waste their company sends to the landfill. Their actions help reduce the impacts of climate change and feed recycled materials back into the economy.

View a [list of 2015 w](#)

Seattle businesses
recognition through
[Business program](#) (e

Just getting started

Special recognition goes to Honor Roll businesses that have made the list for five or more years and are identified by their logo and an Honor Roll graphic image along with their profiles below.

Find helpful resources
business on track with
[prevention, recycling](#)

King County is also honoring one business from the list with the "Re-Award," recognizing exceptional and innovative waste reduction prog

This year's recipient is [Rainier Industries](#), a manufacturer of custom shade, and shelter products, including awnings and tents and yurts. I been in business in King County since 1896. In 2007, they developed Sustainability Initiative and implemented an Environmental Manager 2015, they recycled 479 tons of waste, which resulted in a cost saving Sustainability is a core value at Rainier Industries, as demonstrated t continuous improvements in their manufacturing processes and emp commitment to waste reduction and recycling.

Be inspired, learn something new, and glean ideas for your own busi viewing the 2016 Best Workplace profiles below. Don't miss advice tl businesses have included in their profiles. Congratulations to each 2l Workplace!

This year's Best Workplace profiles are organized by business categ the following to jump to a category:

- [Education](#)
- [Engineering/Manufacturing](#)
- [Financial](#)
- [Food/Hospitality](#)
- [Government/Utilities](#)
- [Medical](#)
- [Other](#)
- [Professional Services](#)
- [Real Estate/Property Management](#)
- [Retail](#)
- [Technology](#)
- [Transportation](#)

Note: all links are external

Tenth annual Best Workplaces for Waste Prevention and Recycling

King County Housing Authority

Website: <http://www.kcha.org/>

Contact name & email: Patrick Malloy, patrickm@kcha.org

King County Housing Authority returns for their fourth year as a Best Workplace for Waste Prevention and Recycling. The agency provides rental housing and rental assistance to more than 18,000 low-income households and uses green building concepts in their development projects.

KCHA actively promotes and encourages employees to reduce and recycle everything possible, with established recycling programs for all curbside materials, electronics, food scraps, batteries, plastic foam, fluorescent bulbs, and hazardous chemicals. The KCHA Central Campus in Tukwila has downsized their facility garbage container and expanded composting capacity to accommodate higher rates of food and paper composting, including all bathroom paper towels. Transit and bike commuting by employees is encouraged with a stipend for those who commute in ways other than a personal vehicle. In 2015, they reduced solid waste bills by more than \$60,000 by improving recycling and decreasing unused garbage capacity at their multifamily properties all around King County.

Advice to others: "If you are recycling more, you are sending less to the landfill.

Perform periodic audits of your garbage dumpsters and reduce their sizes/frequencies of collection, to match your needs. Remember, in King County garbage costs money, recycling is free."

<http://your.kingcounty.gov/solidwaste/garbage-recycling/best-workplaces.asp>