

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5450

A RESOLUTION AUTHORIZING ACQUISITION OF THE GILMAN SQUARE APARTMENTS BY CONDEMNATION OR BY PURCHASE IN LIEU THEREOF

WHEREAS, RCW 35.82.070(2) provides, in part, that a housing authority shall have the power to acquire housing projects within its area of operations, and RCW 35.82.070(5), authorizes a housing authority to acquire real property by exercise of the power of eminent domain; and,

WHEREAS, there is an increasingly serious shortage of affordable housing in King County, which the King County Housing Authority is charged with addressing pursuant to its mission of providing quality affordable housing opportunities equitably distributed within King County; and

WHEREAS, The Gilman Square Apartments (the “Property”) comprises 125 units of housing located at 360 NW Dogwood Street, in Issaquah, Washington, an area of King County where rents are increasingly unaffordable to low income households; and

WHEREAS, the Gilman Square Apartments was subject to a low-income housing covenant imposed by the Washington State Housing Finance Commission restricting 20% of the property to very low-income households; and

WHEREAS, this covenant expired in January, 2013; and rent increases on vacated apartments since that time have averaged 22 percent; and

WHEREAS, the lack of a restrictive covenant to provide housing for low-income households will result in the loss of a significant number of housing units available to persons of low-income in the community; and

WHEREAS, a significant number of the very low-income residents who moved in prior to the expiration of the affordability covenant and currently reside at the Property may be displaced if the current owners of the property sell it in the open market; and

WHEREAS, it is a goal of local governments and the Housing Authority to affirmatively further fair housing in the region, in part through preservation of existing affordable housing opportunities in areas with significantly appreciating housing costs; and

WHEREAS, the Housing Authority has received a fair market appraisal for the Property indicating a value of \$22,650,000.00 (the “Appraised Value”); and

WHEREAS, acquisition of the Gilman Square Apartments by the King County Housing Authority will serve the mission of the Housing Authority and the housing goals of the region through an approach which is considerably less expensive than constructing the same number of new units.

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

Section 1: Acquisition of the Gilman Square Apartments by the King County Housing Authority is necessary to preserve and provide housing for persons of low income equitably distributed in the various areas of its operations, and in areas of high housing market costs in particular.

Section 2: The Board of Commissions hereby authorizes the Executive Director to acquire the Gilman Square Apartments through negotiation with and purchase from the owner for a price not exceed \$23,000,000.00 (approximately 101.5% of the Appraised

Value) or through exercise of the Housing Authority's power of eminent domain if it is unsuccessful in acquiring the property on satisfactory terms through negotiation.

Section 3: The Executive Director is hereby vested with the authority, and with discretion in the exercise thereof, to make a final determination after reviewing the results of inspection of the Property as to whether to proceed with negotiations to purchase the Property or with commencement of formal condemnation procedures if he deems it in the best interest of the Authority and the region's housing goals to do so, and the Executive Director shall certify to the Board of Commissioners in writing regarding the final determination he has made.

Section 4: The Board of Commissioners hereby elects pursuant to RCW 8.26.010(2) not to comply with the provisions of RCW 8.26.035 through RCW 8.26.115 in connection with the acquisition of the Gilman Square Apartments property because no existing occupants of the Property will be displaced by reason of the acquisition.

Section 5: The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, to execute any and all applications, agreements, certifications or other documents in connection with the submission of various funding and financing applications, in order to provide all or part of the interim and/or permanent financing of the Property.

Section 6: The Board of Commissioners hereby authorizes the Executive Director Stephen J. Norman, and in his absence, Deputy Executive Director Daniel R. Watson or Deputy Executive Director Constance Davis to execute any and all contracts, agreements, certifications or other documents in connection with the acquisition of Gilman Square Apartments.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE COUNTY OF KING THIS 18th DAY OF NOVEMBER,
2013.**

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

DOUGLAS J. BARNES, Chair

Attest:

STEPHEN J. NORMAN, Secretary