

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5174

**APPROVING THE USE OF NEW MARKETS TAX CREDIT (NMTC) FINANCING
FOR THE GREENBRIDGE EARLY LEARNING CENTER (GELC) PROJECT
AND AUTHORIZING THE EXECUTIVE DIRECTOR TO UNDERTAKE ALL OTHER
ACTIONS NECESSARY TO PROVIDE NMTC FINANCING
FOR THE GELC PROJECT**

WHEREAS, the King County Housing Authority (“KCHA”) is the owner and developer of Greenbridge, a master planned community consisting of over 1,000 residential units of new mixed-income housing along with community facilities including schools, parks, trails, offices, retail and community support service facilities (“Greenbridge”); and,

WHEREAS, the Puget Sound Education Service District, a Washington municipal corporation (“PSESD”) is planning to build and operate the Greenbridge Early Learning Center project (“GELC Project”) at Greenbridge to provide a facility for early learning programs for low income children living at Greenbridge and in the general White Center area; and,

WHEREAS, KCHA now owns the .95 acre, Greenbridge Lot 3 (“GELC Property”); on which the GELC Project will be developed, constructed and operated by PSESD or its instrumentalities and will be conveying the property to the PSESD for \$1, and,

WHEREAS, on January 8, 2007, the KCHA Board of Commissioners (“Board”) through Resolution 5087 authorized the KCHA Executive Director Stephen J. Norman (“Executive Director”) to submit to the CDFI Fund an application for KCHA to be certified as a Community Development Entity (“CDE”) for the purpose of receiving and utilizing a New Markets Tax Credit (“NMTC”) allocation in connection with financing the development of community and other facilities at Greenbridge or in other low income communities; and,

WHEREAS, the Board further authorized the Executive Director to submit an application to the CDFI for a NMTC allocation in the amount needed to finance identified projects at Greenbridge or in other low income communities located in King County; and,

WHEREAS, the CDFI fund has awarded KCHA a NMTC allocation of \$22,000,000 to finance the GELC Project (“NMTC Allocation”); and,

WHEREAS, resolution 5087 further required 1) that all projects financed in part with KCHA's allocation of NMTC would be subject to review and comment by either the North King County or South King County Resident Advisory Council; 2) that all Greenbridge projects would be subject to review and comment by the Greenbridge Community Task Force; and 3) that all comments be forwarded to the Board prior to the Board's approval of NMTC project financing; and,

WHEREAS, the GELC Project was presented to the Greenbridge Community Task Force on February 5, 2008, and to the South King County Resident Advisory Council on July 9, 2008, and comments from both meetings have been provided to the Board; and,

WHEREAS, the GELC LLC, a Washington limited liability company ("Subsidiary CDE"), has been created as a subsidiary CDE with KCHA as its Managing Member in order to facilitate the financing of the GELC Project through the use of the NMTC Allocation; and,

WHEREAS, US Bancorp CDC has been identified as a potential equity investor and US Bank N.A., Shorebank Enterprise Pacific, and PSESD (or another yet-to-be-identified nonprofit corporation) have been identified as potential lenders to a yet-to-be-named investment fund ("Fund") that will make a qualified equity investment ("QEI") in the Subsidiary CDE in exchange for the NMTC Allocation; and

WHEREAS, the Subsidiary CDE will use the proceeds of the QEI to provide a Qualified Low Income Community Investment ("QLICI") in the form of a loan to a yet-to-be-named Qualified Active Low-Income Community Business ("") established by the PSESD for the purpose of developing and constructing the GELC Project ,

WHEREAS, the PSESD will lease the GELC facility from the QALICB and provide a variety of early learning programs and services benefiting young children at Greenbridge and in the White Center community,

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

1. Executive Director Stephen J. Norman, or in his absence, Dan Watson or Connie Davis (each an "Authorized Officer"), on behalf of KCHA, is hereby authorized, empowered and directed to:

- 1.1. cause KCHA to sub-allocate the NMTC Allocation to the Subsidiary CDE pursuant to an allocation agreement by and between KCHA and the Subsidiary CDE; and
- 1.2. cause KCHA to become a non-member manager or a managing member of the Fund; and
- 1.3. cause KCHA to become the managing member of the Subsidiary CDE; and
- 1.4. review, negotiate, select and approve an appropriate financing structure that is necessary to ensure successful participation by the Investors in the Fund; and
- 1.5. acting in its capacity as either a non-member manager or a managing member of the Fund and as a managing member of the Subsidiary CDE, enter into, execute, and deliver all such documents, including but not limited to the Fund and QLICI loan documents, amended and restated operating agreements of the Fund and/ or the Subsidiary CDE, and other documents, instruments, and agreements in connection with and in implementation of the foregoing on behalf of the Fund and/ or the Subsidiary CDE.

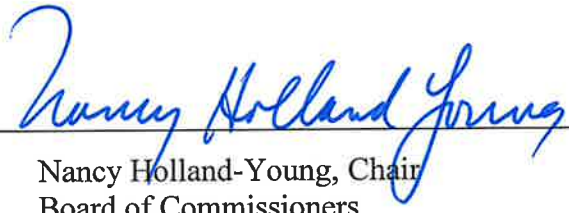
2. On behalf of KCHA, in its capacity as either a non-member manager or a managing member of the Fund, or as the managing member of the Subsidiary CDE, the Authorized Officer is hereby authorized, empowered and directed to take such actions set forth above and take such further actions, and to execute such additional documents and instruments to which the Fund or the Subsidiary CDE is a party, as the Authorized Officer may deem necessary or appropriate in connection with the matters authorized in the foregoing resolutions, and the signature of such Authorized Officer on any document or instrument or the performance of any such actions shall be conclusive evidence of such Authorized Officer's authority to take such actions or execute such documents or instrument on behalf of KCHA, the Fund, and/ or the Subsidiary CDE.

3. Any and all acts heretofore taken by the Authorized Officer in connection with the matters authorized by the foregoing resolutions are hereby ratified, confirmed, adopted and approved by the Board.


4. These resolutions shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the King County Housing Authority at a regular open public meeting this 21st day of July, 2008.

KING COUNTY HOUSING AUTHORITY

By: 
Nancy Holland-Young, Chair
Board of Commissioners

ATTEST:



Stephen J. Norman
Secretary-Treasurer

CERTIFICATION

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

1. That the attached Resolution No. 5174 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners (the "Board") of the Authority, as adopted at a meeting of the Authority held on July 21, 2008, and duly recorded in the minute books of the Authority.

2. 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, 2008.



Executive Director of the Authority