

KING COUNTY HOUSING AUTHORITY

RESOLUTION NO. 5231

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY FOR THE PURPOSE OF LENDING NON-PUBLIC HOUSING FUNDS TO THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY TO BE COMMITTED AS LEVERAGE IN CONNECTION WITH CAPITAL FUND RECOVERY COMPETITION GRANT APPLICATIONS

WHEREAS, the King County Housing Authority assisted in the creation of the Housing Authority of the City of Sedro-Woolley (SWHA) in 1969, and since that time has managed the affairs of SWHA under contract with SWHA, including the development and operation of 80 units of public housing; and

WHEREAS, \$1 billion in supplemental Capital Fund Recovery Competition (CFRC) grants, authorized under the American Recovery and Reinvestment Act (ARRA), have been made available to public housing authorities on a competitive basis through HUD's issuance of an amended Notice of Funding Availability (NOFA) on June 3, 2009; and

WHEREAS, the SWHA's public housing has capital improvement needs that cannot be met without accessing CFRC funding; and

WHEREAS, the NOFA gives priority in funding to Housing Authorities that commit to providing non public housing funds as leverage; and

WHEREAS, SWHA does not have any non public housing funds of its own and will need to obtain an immediate commitment of non public housing funds from external sources; and

WHEREAS, pursuant to RCW 35.82.100, two or more housing authorities may join or

cooperate with one another in the exercise of any powers conferred by Chapter 35.82 RCW for the purpose of financing, planning, undertaking, constructing or operating a housing project located within the area of operation of any of those authorities; and

WHEREAS, pursuant to Chapter 39.34 RCW, two or more public agencies may enter into agreements with one another for joint or cooperative action to provide services and facilities in a manner that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, due to the longstanding, mutually beneficial relationship between KCHA and SWHA it is the interest of KCHA to assist SWHA with its CFRC applications by loaning funds that can be used as leverage in order to maximize SWHA's chances of being awarded CFRC grant funds:

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

SECTION 1. Executive Director Stephen J. Norman or his designee is authorized to enter into an Interlocal Agreement with the SWHA whereby KCHA will loan to SWHA up to \$25,000 in non public housing funds.

SECTION 2. The loan, as set forth, in the Interlocal Agreement shall be on the following terms:

- 1.** The loan shall be contingent on the award of CFRC grant funds to SWHA by HUD.

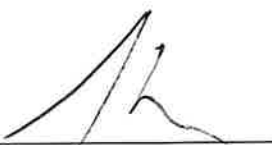
- 2.** Interest on the principal amount of the loan shall accrue at an interest rate of 4% per annum compounded annually.
- 3.** The term of the loan shall be 40 years and periodic payments shall be due and payable only upon SWHA's receipt of unrestricted non public funds that can lawfully be used to pay principal and accrued interest on the loan.

SECTION 3. Executive Director Stephen J. Norman, his designee or successor, is authorized to add terms to the Interlocal Agreement that will provide additional security for repayment of KCHA's loaned funds or forgiveness of the loan in the event SWHA is unable to secure non public housing funds within the term of the loan.

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE KING COUNTY HOUSING AUTHORITY THIS 2nd DAY OF JULY 2009.

KING COUNTY HOUSING AUTHORITY

Delores H. Brown
for NANCY HOLLAND-YOUNG, Chair
Board of Commissioners


STEPHEN J. NORMAN
Secretary-Treasurer