

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5276

A RESOLUTION of the Housing Authority of the County of King authorizing (i) applications for funding and credit enhancement for Sixth Place Apartments of the Authority's Greenbridge HOPE VI redevelopment project, (ii) the negotiation of the terms of a limited liability limited partnership in connection with such funding with an investor limited partner (iii) participation in the formation of such partnership, (iv) the disposition by lease of a portion of the Greenbridge Redevelopment site to such partnership; and (v) the approval, execution and delivery of all documents relating to the Sixth Place Apartments rental housing component of the Greenbridge HOPE VI redevelopment project, including but not limited to Bond Documents, Housing Authority Loan Documents and HUD Documents; and determining related matters.

ADOPTED April 21, 2010

*This document was prepared by:*

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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 is authorized "to prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof . . ."; 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(1) provides that a housing authority may, among other things, “make and execute contracts and other instruments, including but not limited to partnership agreements . . .”; and

WHEREAS, the Authority has been awarded a grant in the amount of \$6,679,129 from the U.S. Department of Housing and Urban Development (“HUD”) in connection with the Greenbridge Redevelopment project (the “Greenbridge Redevelopment”); 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, total financing for the Sixth Place Apartments component (the “Project”) of the Greenbridge HOPE VI redevelopment project will require the use of various funding sources, including tax-exempt bonds, low income housing tax credits and federal grants; and

WHEREAS, certain of these sources to be used in connection with the Project will require the creation of a Washington limited liability limited partnership of which the Authority will be the sole general partner (the “Partnership”) to maximize the benefits and minimize the risks to the Authority; and

WHEREAS, in connection with the receipt of low income housing tax credits for the Project, it is necessary and in the best interest of the Authority to include one or more for-profit investors and investor representatives (collectively, the “Investor Partners”), as limited partners of the Partnership; and

WHEREAS, in connection with the financing for the Project the Authority will lease the Project to the Partnership; and

WHEREAS, the Authority expects to make a loan to the Partnership from non-federal Authority funds to provide interim financing for the Project pending receipt by the Authority of grant proceeds from HUD and/or receipt by the Partnership of capital contributions from the Investor Partners; and

WHEREAS, the Authority expects to make a loan to the Partnership in an amount equal to a portion of the value of the HUD grant to the Project in connection with the Partnership's lease of the Project from the Authority, and

WHEREAS, the HUD Mixed Finance Closing may occur before the Project construction contract is signed, such that HUD may require certain guarantees and assurances from the Authority that sufficient funds will be available to construct and permanently finance the project, and

WHEREAS, in the alternative, the HUD Mixed Finance Closing may be delayed until after the signing of the Construction Contract and the start of Project construction, such that HUD acknowledgment of an early construction start may be required; and

WHEREAS, the Authority expects that it will make additional loans to the Partnership to complete the financing for the Project; and

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

WHEREAS, the Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as general partner of the Partnership and developer of the Project, and to obtain the various funding sources on behalf of the Project described above and to make such funds available to the Partnership; NOW, THEREFORE,

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

Section 1.     Selection of Investor Partners; Formation of Partnership. The Authority is authorized to: (i) seek and select the Investor Partners and negotiate the terms of a partnership agreement among the Authority as sole general partner and the Investor Partners as limited partners; (ii) participate in the formation of a Washington limited liability limited partnership (the "Partnership") pursuant to the Partnership Agreement and a certificate of limited partnership (the "Certificate of Limited Partnership") in such form as is required by chapter 25.10 RCW. The Board intends that the Partnership will develop the Project and receive low income housing tax credits in connection therewith. The Authority's Executive Director is authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), the extent required by law, the Certificate of Limited Partnership and all such forms, certificates, applications and other documents as are necessary to form the Partnership; (ii) approve any changes to the Certificate of Limited Partnership, including any material changes; and (iii) to determine the name of the Partnership. The Authority's Executive Director is delegated the authority to cause, in his discretion, the Partnership to be created as a Washington limited liability company, in which case all references to in this resolution to limited liability limited partnership, partnership agreement, general partner, investor partners, chapter 25.10 RCW and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor members, chapter 25.15 RCW and certificate of formation, respectively.

Section 2.     Funding. The Authority's Executive Director is authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the Partnership's general

partner) to: (i) apply for, and enter into contracts relating to, such funding for the Project as he deems necessary or desirable, including without limitation public and/or private sector financing, Community Development Block Grant(s), Washington State Housing Trust Fund grant(s) and/or loan(s), and other federal, state and local funds; (ii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iv) apply to the Washington State Housing Finance Commission for an allocation of low income housing tax credits for the Project, enter such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation, and cause such allocation (or any portion thereof) to be assigned to the Partnership if the allocation initially is made to the Authority; and (v) cause to be prepared and negotiated documents pursuant to which up to \$515,000 of Authority funds are lent to the Partnership.

Section 3. Predevelopment Activities. The Authority's Executive Director is further authorized and directed to take all necessary and appropriate action in connection with the structuring of financing for the Project and the design and development of the improvements to be constructed in connection therewith, including, but not limited to: (i) seeking and negotiating the terms of interim financing for the Project; (ii) preparing all appropriate resolutions for Board review and approval, including a resolution relating to such interim financing; (iii) negotiating contracts relating to the use, management and naming of buildings in the Project; and (iv) taking all actions necessary so that any obligations issued by the Authority in connection with the Project will be secured or credit-enhanced, if applicable, through the use of HUD grant funds as

collateral or pursuant to the Authority's contingent loan agreement with King County dated March 31, 2006.

Section 4. Property Disposition. The Authority's Executive Director is further authorized and directed to take all necessary and appropriate actions to dispose of the portion of the Greenbridge Redevelopment site upon which the Project will be developed, by sale or lease to the Partnership, according to provisions of federal and state law.

Section 5. Ancillary Documents. The Authority's Executive Director is hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in his discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, any development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.

Section 6. Necessary 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. Approval of Partnership Documents. The Executive Director is 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 behalf or in its capacity as general partner of the Partnership, as applicable, (i) those documents listed in Exhibit A (collectively, the "Partnership Documents"); (ii) any documents required to transfer the allocation of low income housing tax credits for the Project from the Authority to the Partnership; and (iii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the

Partnership 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 be taken or executed by the Authority, on behalf of itself or as general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Partnership Documents.

From and after the date the Partnership Documents are executed, the Executive Director (or his designee) 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 general partner of the Partnership.

Section 8. Approval of Housing Authority Loan Documents. The Executive Director is further authorized and directed to take all actions required of the Authority in connection with the loans to be made by the Authority to the Partnership in connection with the Project. In particular, the Authority's Executive Director is 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 behalf or in its capacity as general partner of the Partnership, as applicable, (i) those documents listed in Exhibit B (collectively, the "Housing Authority Loan Documents"), with such changes, including material changes, as the Executive Director of the Authority deems necessary or advisable, and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Housing Authority Loan Documents.

Section 9. Approval of HUD Documents. The Executive Director is further authorized and directed to execute and deliver, on behalf of the Authority in its own behalf or in its capacity as general partner of the Partnership, as applicable, (i) those documents listed in Exhibit C (collectively, the "HUD Documents"), substantially in the forms on file with the Authority, with such changes, including any material changes, as the Executive Director deems necessary or



advisable; and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the HUD Documents.

Section 10. Approval of Tax Credit Documents. The Executive Director is further authorized and directed to execute and deliver, on behalf of the Authority in its own behalf or in its capacity as general partner of the Partnership, as applicable, (i) those documents listed in Exhibit D (the “Tax Credit Documents”); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to obtain low-income housing tax credits for the Project, to complete the development and operation of the Project and to carry out the transactions contemplated by the Tax Credit Documents.

Section 11. Assurances in Advance of Construction Contract. The Executive Director is further authorized, for purposes of effecting a HUD Mixed Finance Closing in advance of determining the Maximum Allowable Contract Cost for Project construction, to provide such reasonable assurances and guarantees as HUD may require that all necessary Project construction and permanent financing will be available to the Project.

Section 12. Early Construction Start. If necessary to avoid Project construction delays, the Authority may begin construction of the Project in advance of a HUD Mixed Finance Closing upon receiving HUD acknowledgment of an early construction start.

Section 13. 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 Partnership, 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.

In particular, the Executive Director is authorized and directed to execute, deliver and, if applicable, file (or cause to be executed, delivered, and, if applicable, filed) those documents listed in Exhibit E (the "Additional Documents") substantially in the form on file with the Authority, with such changes, including any material changes, as the Executive Director deems necessary or advisable.

Section 14. 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.

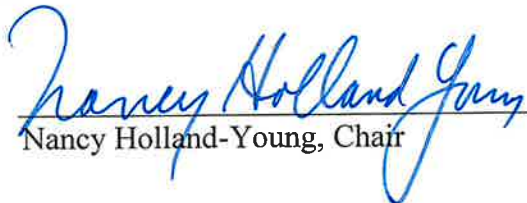
Section 15. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or a Deputy Executive Director of the Authority, respectively.

Section 16. 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.

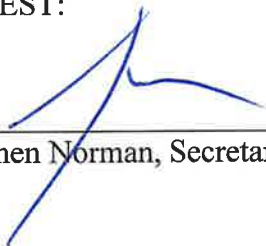
Section 17. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 21<sup>st</sup> day of April 2010.

HOUSING AUTHORITY OF THE COUNTY OF KING

By:   
Nancy Holland-Young, Chair

ATTEST:

  
Stephen Norman, Secretary-Treasurer



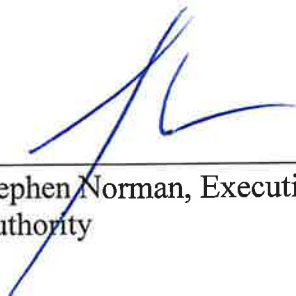
CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting 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. 5276 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a special meeting of the Authority held on March 17, 2010, 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; 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 21<sup>st</sup> day of April 2010.



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Stephen Norman, Executive Director of the  
Authority

CERTIFICATE



## EXHIBIT A

### PARTNERSHIP DOCUMENTS

- Partnership Agreement by and among the Authority and the Investor Partners;
- Purchase Option and Right of First Refusal Agreement, if any, between the Partnership and the Authority;
- Pledge and Security Agreement, if any;
- Partnership Management Agreement between the Partnership and the Authority;
- Officer's Certificate of the Authority for the benefit of the Investor Partners
- Tax Certification; and
- Guaranty.





## EXHIBIT B

### HOUSING AUTHORITY LOAN DOCUMENTS

- Master Loan Agreement between the Authority, as lender, and the Partnership, as borrower;
- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing executed by the Partnership in favor of the Authority; and
- UCC Financing Statement.



## EXHIBIT C

### HUD DOCUMENTS

- Mixed Finance Amendment to Consolidated Annual Contributions Contract between the Authority and HUD;
- Declaration of Restrictive Covenants in favor of HUD;
- Regulatory and Operating Agreement for Mixed-Income Project between the Authority and the Partnership;
- Deed of Partial Release of the Declaration of Restrictive Covenants;
- Certificate re Permits and Approvals;
- Certificate and Assurances;
- Management Plan;
- Management Agreement;
- Certification of Consistency with the King County Consortium Consolidated Plan; and
- Other Certifications Submitted with Evidentiaries.



EXHIBIT D  
TAX CREDIT DOCUMENTS

- 2010 Low Income Housing Tax Credit Application and Exhibits thereto; and
- Transfer Agreement re Transfer of 2010 Low Income Housing Tax Credit Allocation from the Authority to the Partnership, if applicable.



## EXHIBIT E

### ADDITIONAL DOCUMENTS

- Lease Agreement;
- Memorandum of Lease;
- Recording Priority and Subordination Agreement among the Authority, the Partnership and the Washington State Housing Finance Commission, and other parties, if applicable; and
- Non-Disturbance and Attornment Agreement between HUD and the Partnership.

