

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5291

(GREENBRIDGE HOMEOWNERSHIP PROGRAM)

A RESOLUTION authorizing a loan to HomeSight, a Washington nonprofit corporation, and from the Authority to HomeSight in an amount not to exceed \$1,300,000 to provide construction financing for seven homes to be built on those lots, which homes will be sold to low-income buyers; determining the form, terms and covenants of a loan agreement, promissory note and deed of trust relating to the loan; and authorizing the execution and delivery by the Authority, the loan agreement and other agreements, documents and certificates.

ADOPTED July 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 housing for low-income persons residing in King County, Washington; 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(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, the Authority has negotiated the terms of a purchase and sale agreement with HomeSight (the “Borrower”), a Washington nonprofit corporation, providing for the sale of certain lots within the Greenbridge redevelopment to the Borrower and the assignment of the related designs and design contract to the Borrower; and

WHEREAS, the Borrower has applied to the Authority for financial assistance in the principal amount of up to \$1,300,000 for the purpose of providing financing for the construction of seven homes on certain of those lots to be used to provide housing for low-income persons in the King County, Washington (the “Project”); and

WHEREAS, the Borrower intends to sell the homes to be constructed to low-income buyers; and

WHEREAS, the Board of Commissioners of the Authority has determined that it is necessary and advisable and in the best interest of the Authority to make a loan to the Borrower in a principal amount not to exceed \$1,300,000, the proceeds of which will be used by the Borrower for the purposes described herein; 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.

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

“Borrower” means HomeSight, a Washington nonprofit corporation.

“Deed of Trust” means the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing executed by the Borrower in favor of the Authority to secure payment of the Loan.

“Draw” means incremental draws on the Loan

“Loan” means the loan from the Authority to the Borrower authorized in this resolution.

“Loan Agreement” means the Loan Agreement by and between the Authority and the Borrower relating to the Loan, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Loan Documents” mean the Loan Agreement, the Note, any related UCC Financing Statements and any other documents relating to the Loan executed by the Borrower.

“Note” means the promissory note to be executed by the Borrower to evidence the Loan.

“Project” means, depending on the context, (1) the construction of seven homes on land located within the Greenbridge redevelopment, or (2) the seven homes so constructed.

“Property” means the land on which the Project is to be constructed.

“Purchase and Sale Agreement” means the Purchase and Sale Agreement between the Authority and the Borrower setting forth the terms and conditions relating to the sale of the Property to HomeSight.

“Qualified Buyers” means and includes individuals of low or moderate income determined in a manner consistent with determinations of lower income individuals under Section 8 of the United States Housing Act of 1937, as amended (except that such calculation shall be adjusted for family size), which individuals meet the requirements of the Borrower’s homeownership program.

Section 2. Authorization and Description of Loan. The Authority is authorized to make the Loan to the Borrower on the terms set forth in this resolution. Such financing is declared and determined to be important for feasibility of the Project. All proceeds of the Loan shall be disbursed pursuant to and subject to the conditions of the Loan Documents. The Loan shall be in a principal amount not to exceed \$1,300,000; shall have an initial maturity date that is not more than 12 months after the date the Loan is made; shall bear interest at the rate of 1% per annum, payable at maturity of the Loan. The Loan shall be governed by the terms of the Loan Agreement, evidenced by the Note and secured by the Deed of Trust.

The Borrower may make Draws upon the Loan in any amount on any business day during the term of the Loan for the purposes identified above. No Draw may exceed the total amount of the costs to be paid from such Draw, and the proceeds of each Draw shall be used immediately to pay those costs, or to reimburse the Borrower for such costs paid by the Borrower. Draws shall be recorded in such form as the Borrower and the Authority may agree. Draws shall be limited to an aggregate principal amount of \$1,300,000.

If the Note is not paid when properly presented at its maturity date, the Borrower shall be obligated to pay interest on the Note at the default rate of 10% per annum until the Note, both principal and interest, is paid in full.

Section 3. Authorization of Documents and Execution Thereof. The Board approves the Loan Agreement (and the lending of the amounts specified therein to the Borrower), the Note and the Deed of Trust substantially in the forms on file with the Executive Director of the Authority, with such changes as the Executive Director of the Authority shall deem necessary or appropriate. The Authority (i) authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Loan Agreement and any other documents reasonably required to be executed by the Authority in connection with the making of the Loan, (ii) authorizes the consummation by the Authority of all other transactions contemplated by this resolution in connection with the sale of the Property and the making of the Loan, and (iii) authorizes and directs the appropriate Authority officials to do everything necessary for the making of the Loan.

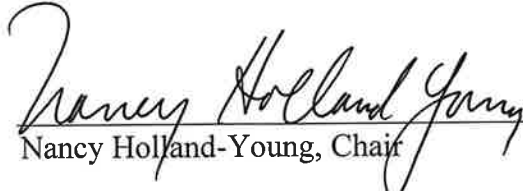
Section 4. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person be taken by a Deputy Executive Director of the Authority.

Section 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 21st day of July, 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. 5291 (the "Resolution") is a 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 July 21, 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 21st day of July, 2010.



Executive Director of the Authority

