THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5316
AUTHORIZING THE CREATION OF FOUR LIMITED LIABILITY COMPANIES AND ONE NONPROFIT CORPORATION FOR THE PURPOSE OF FINANCING PROJECTS USING NEW MARKET TAX CREDITS

WHEREAS, On June 3, 2010 the King County Housing Authority applied to the Community Development Financial Institutions (CDFI) Fund of the U.S. Department of Treasury for a $45 million allocation of New Market Tax Credits (NMTC); and

WHEREAS, the NMTC allocation may be used in part to finance a pipeline of potential projects, which include the acquisition and improvements to Wonderland Estates Mobile Home Park, a community center in South Auburn next to Green River Homes, a Youth Theater adjoining the Landmark, Bellepark East, and Woodside East Apartments in Bellevue, construction of for-sale homes at Greenbridge and Seola Gardens, and tenant improvements for small businesses leasing space at Greenbridge; and

WHEREAS, the CDFI is expected to announce NMTC awards in the next 30 days; and

WHEREAS, the King County Housing Authority has been designated a Community Development Entity (CDE) by the CDFI and thus can be an awarded a NMTC allocation; and

WHEREAS, the CDFI and the IRS code both require that all qualified NMTC investment be made in nongovernmental CDE’s in order for investors to receive tax benefits. As a condition for providing an allocation of NMTC, the CDFI requires CDE’s, such as KCHA, to create nongovernmental, CDFI approved, subsidiary CDE’s for the purposes of providing financing for eligible projects; and

WHEREAS, the recipient of the NMTC subsidized investment must be a Qualified Active Low Income Community Business (QALICB) as defined in the IRS code. Therefore in order for the Wonderland Estates property to receive NMTC subsidized financing, a nonprofit corporation must be formed as a QALICB to own and operate the property; and
WHEREAS, in order to prepare for the possible receipt of a NMTC allocation, KCHA needs to create and obtain CDFI approval of subsidiary CDE's for its project financing pipeline and to also create and nonprofit QALICB for the Wonderland Estates project.

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

Section 1: The Executive Director or his designee is authorized to create up to four Limited Liability Companies (LLC's) with KCHA as the managing member, for the purpose of being approved by the CDFI Fund as subsidiary CDE's.

Section 2: The Executive Director or his designee is also authorized to create a new nonprofit corporation and appoint a board of directors for the purpose of creating a QALICB that will own and operate the Wonderland Estates and Tall Cedars Mobile Home Parks currently owned by KCHA. No transfer of real estate assets from KCHA to the newly created nonprofit corporation will occur without further approval of the KCHA Board of Commissioners.


THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

NANCY HOLLAND-YOUNG, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary-Treasurer