

**HOUSING AUTHORITY OF THE COUNTY OF KING**

**RESOLUTION NO. 5334**

**(GREEN RIVER HOMES)**

A RESOLUTION of the Housing Authority of the County of King in connection with the proposed renovation of Green River Homes within the City of Auburn, King County, Washington: 1) authorizing the formation of a Limited Liability Company or Limited Liability Partnership to own, renovate and operate Green River Homes, 2.) authorizing submittal of funding and financing applications and other pre-development activities; and 3.) declaring its intention to sell bonds in an amount not to exceed \$13,000,000 to provide financing to a Washington limited liability company or Washington limited liability partnership of which the Authority will be the managing member or general partner, and determining related matters.

**WHEREAS**, Green River Homes located at 1103 Ninth Street SE, in the City of Auburn Washington (“the Project”) is owned and operated by the Housing Authority of the County of King (the “Authority”) as public housing under an Annual Contributions Contract with the U.S. Department of Housing and Urban Development (HUD); and

**WHEREAS**, due to age and deficiencies in the original design and construction, the 60 units of housing as well as the site need substantial renovations, upgrades and physical improvements, the cost of which cannot be paid for with available operating and capital funds through HUD's public housing program; and

**WHEREAS**, HUD conditionally approved the disposition of Green River Homes in February 2011; and

**WHEREAS**, the Authority intends to form a Washington limited liability company or limited liability partnership (the "LLC") of which the Authority will be the managing member or general partner, to acquire, renovate and operate the Project by securing Low Income Housing Tax credits and other financing primarily in the form of the loan of bond proceeds and other funds from the Authority; and

**WHEREAS**, the Authority intends to issue tax exempt private activity bonds subject to the State’s volume cap and loan the proceeds to the LLC; and

**WHEREAS**, the estimated cost of the Project, including all acquisition, construction, financing, relocation and other costs, is not expected to exceed \$17 million.

**WHEREAS**, RCW 35.82.070(2) provides that a housing authority may "prepare, carry out, acquire, lease and operate housing projects" and "provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof. . ."; 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, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or development for housing for persons of low income"; and

**WHEREAS**, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

**WHEREAS**, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations; **NOW, THEREFORE**,

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

Section 1. The Authority is authorized to form a Washington limited liability company or limited liability partnership own, renovate and operate the Project.

Section 2. The Authority is authorized in its individual capacity and/or in its capacity as the LLC's managing member or the LLP's general partner to apply for all necessary interim or permanent financing to facilitate renovation.

Section 3. The Authority is authorized to solicit proposals from one or more investors to provide Low Income Housing Tax Credit equity.

Section 4. To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth

herein, to issue and sell its revenue bonds or other obligations (the "Bonds") in a principal amount of not to exceed \$13,000,000, to use the proceeds of the sale of the Bonds to make a loan to the LLC, and to permit the LLC to reimburse itself from such proceeds for expenditures for the Project made by the LLC before the issue date of the Bonds.

Section 5. The proceeds of the Bonds will be used to assist in financing the Project, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Bonds.

Section 6. The Bonds shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by resolution of the Board of Commissioners of the Authority.

Section 7. The Bonds shall be issued subject to the condition that all governmental approvals and certifications and findings required by laws applicable to the Bonds first shall have been obtained. The Executive Director of the Authority or his or her designee is authorized to seek an allocation of volume cap for the Bonds from the Washington State Department of Commerce.

Section 8. For purposes of applicable Treasury Regulations, the LLC is authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Bonds authorized herein. However, the adoption of this resolution does not constitute a guarantee that the Bonds will be issued or that the Project will be financed as described herein, or an endorsement of the Project by the Authority. The Board of Commissioners of the Authority shall have the absolute right to rescind this resolution at any time if it determines in its sole judgment that the risks associated with the issuance of the Bonds are unacceptable.


Section 9. It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of the Bonds, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

Section 10. 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.

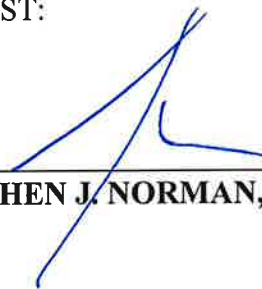
Section 11. Acting Officers Authorized. Executive Director Stephen J. Norman is authorized to carry out the actions required by this resolution. In his absence the actions may be taken by the Deputy Executive Director of the Authority.

**ADOPTED** by the Board of Commissioners of the Housing Authority of the County of King at an open special public meeting this 13th day of July 2011.

**THE HOUSING AUTHORITY OF THE  
COUNTY OF KING, WASHINGTON**

  
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**NANCY HOLLAND-YOUNG**, Chair  
Board of Commissioners

ATTEST:

  
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**STEPHEN J. NORMAN**, Secretary