

**THE HOUSING AUTHORITY OF THE COUNTY OF KING**

**RESOLUTION NO. 5342**

**APPROVING THE USE OF \$18,000,000 NEW MARKETS TAX CREDIT (NMTC) ALLOCATION TO FINANCE THE WONDERLAND PROJECT AND AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ACTIONS NECESSARY TO ENSURE THE SUCCESSFUL INVESTMENT AND MANAGEMENT OF NMTCS INTO THE PROJECT**

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**WHEREAS**, the King County Housing Authority (“KCHA”) is the owner and developer of the Tall Cedars Mobile Home Park, a 127-space mobile home park located in Auburn, and Wonderland Estates, a 109-space mobile home park located in Southeast King County (collectively, “Wonderland”); and,

**WHEREAS**, on January 8, 2007, the KCHA Board of Commissioners (“Board”) through Resolution 5087 authorized the KCHA Executive Director Stephen J. Norman (“Executive Director”) to submit to the CDFI Fund an application for KCHA to be certified as a Community Development Entity (“CDE”) for the purpose of receiving and utilizing a New Markets Tax Credit (“NMTC”) allocation in connection with financing the development of community and other facilities in low income communities; and

**WHEREAS**, the Board further authorized the Executive Director to submit an application to the CDFI for a NMTC allocation in the amount needed to finance identified projects in low income communities located in King County; and

**WHEREAS**, the CDFI fund has awarded KCHA a 2010 allocation of \$28,000,000 (“NMTC Allocation”) to finance in part the development and renovation of certain infrastructure systems in connection with Wonderland (the “Project”); and

**WHEREAS**, Resolution 5087 further required 1) that all projects financed in part with KCHA’s allocation of NMTC would be subject to review and comment by either the North King County or South King County Resident Advisory Council; and 2) that all comments shall be forwarded to the Board prior to the Board’s approval of NMTC project financing; and

**WHEREAS**, The Wonderland Project was presented to the South King County Resident Advisory Council for review on March 23, 2011 and was identified by the Council as a suitable project for financing using KCHA's 2010 NMTC Allocation; and

**WHEREAS**, KCHA has caused the creation of KCHA New Markets Partner 10 LLC, a Washington limited liability company ("Subsidiary CDE"), which acts as a subsidiary CDE in order to facilitate the financing of the Wonderland Project through the use of the NMTC Allocation, and KCHA desires to become a managing member of the Subsidiary CDE; and

**WHEREAS**, KCHA desires to sub-allocate \$18,000,000 of KCHA's NMTC Allocation to the Subsidiary CDE for the benefit of the Wonderland Project and to take all necessary and appropriate steps to designate with the CDFI Fund the QEI and the sub-allocation on behalf of the KCHA; and

**WHEREAS**, JPMorgan Chase Bank, N.A. has been identified as a potential equity investor ("Equity Investor"), and KCHA has been identified as potential leveraged lender ("Leveraged Lender") (Equity Investor and Leveraged Lender collectively, "Investors") to Chase NMTC TCW Investment Fund, LLC ("Fund") through which the Investors will make a qualified equity investment ("QEI") into the Subsidiary CDE in exchange for the NMTC Allocation, and, if selected, KCHA desires to become a managing member of the Fund; and

**WHEREAS**, KCHA as the manager of the Subsidiary CDE would be required to execute with the Fund an Amended and Restated Operating Agreement of the Subsidiary CDE to facilitate the QEI and, in conjunction therewith, KCHA and the Subsidiary CDE may be required to enter into certain indemnification and/or guaranty agreements for the benefit of Equity Investor; and

**WHEREAS**, the Subsidiary CDE would provide a Qualified Low Income Community Investment ("QLICI") in the form of a loan funded by the QEI in the presently anticipated aggregate amount of approximately \$17,640,000 to South King County Affordable Community Group, a Washington nonprofit corporation ("QALICB") for the purpose of acquiring, constructing and redeveloping the Wonderland Project.

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

1. Executive Director Stephen J. Norman, or in his absence Dan Watson or Connie Davis (each an "Authorized Officer"), on behalf of KCHA, is hereby authorized, empowered and directed to cause KCHA:

- 1.1. to sub-allocate the NMTC Allocation to the Subsidiary CDE pursuant to an allocation agreement by and between KCHA and the Subsidiary CDE; and
- 1.2. if selected, to become either a non-member manager or a managing member of the Fund; and
- 1.3. to become the managing member of the Subsidiary CDE; and
- 1.4. to review, negotiate, select and approve an appropriate financing structure that is necessary to ensure successful participation by the Investors in the Fund; and
- 1.5. acting in its capacity as either a non-member manager or a managing member of the Fund and as a managing member of the Subsidiary CDE, to enter into, execute, and deliver all such documents, including but not limited to the leveraged loan and QLICI loan documents, amended and restated operating agreements of the Fund and/ or the Subsidiary CDE, and other documents, instruments, and agreements in connection with and in implementation of the foregoing on behalf of the Fund and/ or the Subsidiary CDE.

2. On behalf of KCHA, in its capacity as either a non-member manager or a managing member of the Fund, or as the managing member of the Subsidiary CDE, the Authorized Officer is hereby authorized, empowered and directed to take such actions set forth above and take such further actions, and to execute such additional documents and instruments to which the Fund or the Subsidiary CDE is a party, as the Authorized Officer may deem necessary or appropriate in connection with the matters authorized in the foregoing resolutions, and the signature of such Authorized Officer on any document



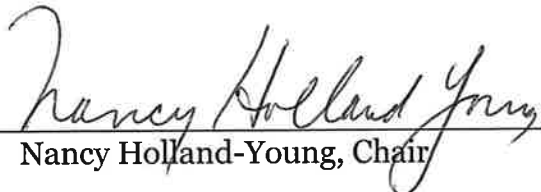
or instrument or the performance of any such actions shall be conclusive evidence of such Authorized Officer's authority to take such actions or execute such documents or instrument on behalf of KCHA, the Fund, and/ or the Subsidiary CDE.

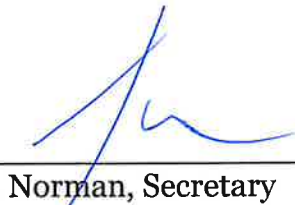
3. Any and all acts heretofore taken by the Authorized Officer in connection with the matters authorized by the foregoing resolutions are hereby ratified, confirmed, adopted and approved by the Board.

4. These resolutions shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the King County Housing Authority at a regular open special public meeting this 21<sup>st</sup> day of September, 2011.

HOUSING AUTHORITY OF THE  
COUNTY OF KING

By:   
Nancy Holland-Young, Chair

  
Stephen Norman, Secretary




## CERTIFICATION

I, the undersigned, the duly chosen, qualified and acting Executive Director of the King County Housing Authority (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 5342 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners (the "Board") of the Authority, as adopted at a special meeting of the Authority held on September 21, 2011, 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, and, to the extent required by law, due and proper notice of such meeting was given; 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 Setpember, 2011.

  
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Executive Director of the Authority

