

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5348

A RESOLUTION of the Housing Authority of the County of King amending Resolution No. 5099 of the Authority, as previously amended by Resolution No. 5278, to modify the terms of the Authority's Revolving Line of Credit Revenue Note, 2010 Series A (Taxable) (Greenbridge Redevelopment) and Non-Revolving Line of Credit Revenue Note, 2010 Series B (Tax-Exempt) (Greenbridge Redevelopment – Sixth Place Apartments) issued to provide interim financing for the Authority's Greenbridge HOPE VI redevelopment project; and authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary for the purposes of this resolution.

ADOPTED November 9, 2011

*This document was prepared by:*

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WHEREAS, pursuant to RCW 35.82.070 and RCW 35.82.130, the Housing Authority of the County of King (the "Authority") is authorized to issue revenue bonds and notes from time to time and to use the proceeds of those obligations for any of its corporate purposes; 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(5) provides that a housing authority may, among other things, "lease any . . . lands . . . embraced in any housing project and . . . establish and revise the rents or charges therefor"; and "sell, lease, exchange, transfer . . . or dispose of any real or personal property or any interest therein . . ."; 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, pursuant to Resolution No. 5099, adopted April 16, 2007, the Authority issued its Taxable Revolving Line of Credit Revenue Note, 2007 (Greenbridge Redevelopment) (the “Original Note”) to evidence a line of credit extended by Bank of America, N.A. (the “Bank”), to provide interim financing for the Authority’s Greenbridge Hope VI redevelopment project (the “Development”), including in particular the Nia Apartments rental housing portion of the Development, owned by the Authority and leased to Nia Apartments LLC, a Washington limited liability company of which the Authority is the managing member; and

WHEREAS, pursuant to Resolution No. 5278, adopted April 21, 2010, the Authority amended Resolution No. 5099 and the modified the Original Note to create two separate Notes evidencing the Bank line of credit: the Revolving Line of Credit Revenue Note, 2010, Series A (Taxable) (Greenbridge Redevelopment) (the “Series A Note”) and the Non-Revolving Line of Credit Revenue Note, 2010, Series B (Tax-Exempt) (Greenbridge Redevelopment – Sixth Place Apartments) (the “Series B Note” and, together with the Series A Note, the “Notes”) to additionally provide interim financing for the construction of 24 rental dwelling units as part of the Sixth Place Apartments rental housing component of the Development, owned by the Authority and leased to Sixth Place Apartments LLLP (“Sixth Place LLLP”), a Washington limited liability limited partnership of which the Authority is the sole general partner, to provide housing for low income persons within King County, Washington (the “County”);

WHEREAS, pursuant to Resolution No. 5278, the maturity date of the Notes was extended to December 31, 2011; and

WHEREAS, the Bank has delivered a proposal letter dated October 20, 2011 (the "2011 Proposal Letter"), to the Authority offering to further extend the maturity date and modify the terms of its line of credit as set forth in this resolution, to continue to provide interim financing for the Development, including the Nia Apartments rental housing portion of the Development and the Sixth Place Apartments rental housing component of the Development; and

WHEREAS, the Board of Commissioners of the Authority has determined that it is necessary and advisable that the Authority accept the Bank's offer to modify the line of credit as 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. Amended Definitions. The definitions of the following terms as set forth in Section 1 of Resolution No. 5099, as previously amended and restated by Resolution No. 5278, are hereby amended and restated to provide as follows:

"Note Resolution" means Resolution No. 5099 of the Authority, adopted April 16, 2007, as amended by Resolution No. 5278 of the Authority, adopted April 21, 2010, and as further amended by this resolution.

"Proposal Letter" means, collectively, the letter to the Authority from the Bank dated April 3, 2007 (the "2007 Commitment Letter"), offering to purchase the Original Note under the terms contained

therein, the letter to the Authority from the Bank dated April 5, 2010 (the “2010 Proposal Letter”), proposing to amend the terms of the Original Note under the terms contained therein, and the letter to the Authority from the Bank dated October 20, 2011 (the “2011 Proposal Letter”), proposing to amend the terms of the Notes under the terms contained therein. To the extent that the terms of the 2010 Proposal Letter contradict the terms of the 2007 Commitment Letter, the terms of the 2010 Proposal Letter shall control, and to the extent the terms of the 2011 Proposal Letter contradict the terms of the 2007 Commitment Letter or the 2010 Proposal Letter, the 2011 Proposal Letter shall control.

“Tax-Exempt LIBOR Note Rate” means the fixed rate of interest per annum equal to 65.1% of the LIBOR Fixed Rate, plus 1.20% per annum, which rate shall be adjusted on each LIBOR Reset Date.

“Tax-Exempt Prime Note Rate” means the rate of interest per annum equal to 65.1% of the Prime Rate, minus 0.40% per annum, which rate shall be adjusted on each day on which the Prime Rate changes.

Section 2. Original Definitions. All capitalized terms used but not otherwise defined in this resolution shall have meanings set forth in Resolution No. 5099, as previously amended by Resolution No. 5278.

Section 3. Amendment of Section 2 of Resolution No. 5099, as Previously Amended by Resolution No. 5278 – Authorization and Description of Notes. Section 2 of Resolution No. 5099, as previously amended and restated by Resolution No. 5278, is hereby amended and restated in its entirety to provide as follows:

Section 2. Authorization and Description of Notes. For the purpose of providing interim financing for the Development, and paying costs of issuing and interest and fees on the Notes, including making a loan to Sixth Place LLLP with proceeds of Draws on the Series B Note, the Authority may borrow money from time to time pursuant to a line of credit extended by the Bank under the terms of this resolution and the Proposal Letter, and shall issue the Notes in an aggregate principal amount not to exceed \$6,500,000 at any one time outstanding.

The Notes shall be designated the Revolving Line of Credit Revenue Note, 2010, Series A (Taxable) (Greenbridge Redevelopment) (the "Series A Note") and the Non-Revolving Line of Credit Revenue Note, 2010, Series B (Tax-Exempt) (Greenbridge Redevelopment – Sixth Place Apartments) (the "Series B Note"), of the Authority; shall be issued in registered form; shall be dated as of their date of delivery to the Bank; and shall mature on July 1, 2012 (the "Maturity Date").

The Authority may request Draws upon the Notes on any LIBOR Banking Day that is at least three LIBOR Banking Days prior to the date for which payment of such Draw is requested, for the purposes identified above, subject to the terms of the Proposal Letter. Draws bearing interest at a rate based on the LIBOR Fixed Rate must be in an amount of \$100,000 or greater. Draws on the Series A Note may be used only to finance the Series A Project and to pay interest on the Series A Note and costs of issuing the Notes. Draws on the Series B Note may be used only

to finance the Series B Project and pay interest on the Series B Note and costs of issuing the Series B Note.

Draws shall be recorded in such form as the Authority and the Bank may agree. Draws on the Series B Note shall be limited to an aggregate principal amount equal to \$2,700,000. Total Draws on the Notes shall be limited to an aggregate principal amount outstanding at any one time equal to \$6,500,000

Each Draw on the Series A Note shall bear interest at either the Taxable Prime Note Rate or the Taxable LIBOR Note Rate, and each Draw on the Series B Note shall bear interest at either the Tax-Exempt Prime Note Rate or the Tax-Exempt LIBOR Note Rate, with such interest rate option chosen by the Executive Director or his or her designee at the time of each Draw. Interest on each Draw shall accrue from the date of that Draw and shall be computed on the basis of a 360-day year and actual number of days elapsed for the actual number of days the principal amount is outstanding. Interest on the Notes shall be payable quarterly in arrears on the first business day of each January, April, July and October after the date of issue of the Notes. Principal of the Note, together with all accrued and unpaid interest thereon, is payable on the Maturity Date.

The Authority may request Draws upon the Notes for the purposes identified above, subject to the terms of the Proposal Letter, (i) if the Draw is to bear interest at the Taxable LIBOR Note Rate or the Tax-Exempt LIBOR Note Rate, on any LIBOR Banking Day that is at least three

London Banking Days prior to the date for which payment of such Draw is requested, or (ii) if the Draw is to bear interest at the Taxable Prime Note Rate or the Tax-Exempt Prime Note Rate, by 1:00 p.m. on any business day for which payment of such Draw is requested.

If there occurs any nonpayment of principal, interest, fees or other amounts with respect to either of the Notes when due, then the Bank may provide notice of such default to the Authority, and the Authority shall be obligated to pay interest on that Note at a rate equal to 3.0% per annum in excess of the interest rate otherwise applicable under the Note until the Note, both principal and interest, as the case may be, is paid in full.

If the interest on the Series B Note is determined to be included in gross income for federal income tax purposes, then the outstanding amounts of the Series B Note shall be deemed to be (and to have been) amounts outstanding under the Series A Note retroactive to the date of taxability, and the Authority shall pay to the Bank the difference between the interest actually paid with respect to that Series B Note and the interest that would have been paid had the outstanding amounts been drawn on the Series A Note.

The Authority finds that the fixing of the above interest rate indices is in the best interest of the Authority. Interest on the Series A Note will not be excluded from gross income of the registered owner for federal income tax purposes.



Section 4. Authorization for Further Extensions and Modifications of Notes. The Board has determined that it is in the best interest of the Authority to delegate to the Executive Director the authority to approve the extension of the Maturity Date of the Notes beyond the Maturity Date specified in Section 3, and future modifications of the Notes, including but not limited to changes in the number of series, series designations, principal amounts, date of the Notes, interest rates and interest rate formulae, payment dates and redemption provisions, provided that:

- A. The aggregate principal amount of the Notes does not exceed \$6,500,000;  
and
- B. The Maturity Date shall not be extended beyond December 31, 2018.

The Executive Director is authorized to do everything necessary for the execution and delivery of such documents as are useful or necessary to such modifications of the Notes. The Executive Director's execution of documents in connection with the modification or extension of the Notes as described herein will constitute conclusive evidence of his approval of the extensions and/or modifications described therein and the approval of the Authority of such extensions and/or modifications.

Section 5. Authorization of Documents and Execution Thereof. The Executive Director of the Authority is authorized and directed to do everything necessary (a) to effect the modification of the Original Note as described herein and (b) for the execution and delivery of such documents as are useful or necessary to the purposes of this resolution, including the delivery to the Bank of the Notes and an approving opinion of bond counsel, and the payment of a fee of \$2,500 and all reasonable costs and expenses, including legal fees, incurred by the Bank in connection with the modification. The Executive Director is further authorized and directed and to ensure the proper use and

application of the proceeds of the Notes, and to effect any extension of the maturity and modification of the Notes as described in Section 4, as amended, including payment of any extension fees.

Section 6. Approval of Transaction. The Bank has proposed to permit the extension of maturity and modification of Original Note, under the terms and conditions contained in this resolution and the Proposal Letter, including the payment of (i) a renewal fee in the amount of \$2,500, (ii) the reasonable fees of counsel to the Bank not to exceed \$1,250, and (iii) an unused commitment fee in the amount of 12 basis points (0.12%) per annum, payable for quarters in which the average outstanding combined amounts of the Series A Note and the Series B Note are less than \$1,625,000 and calculated on the amount by which \$6,500,000 exceeds the daily outstanding combined amounts of the Series A Note and the Series B Note. The Board finds that the Bank's proposal is in the best interest of the Authority. The Authority consents and agrees to the election of Washington law to govern the Notes and the related transaction and the waiver of jury trial, all as set forth in the Proposal Letter. The Executive Director of the Authority is authorized and directed to do everything necessary for the extension of maturity and modification of the Original Note and the issuance of the Series A Note and the Series B Note on the terms set forth in this resolution.

Section 7. Resolution No. 5099, as Previously Amended by Resolution No. 5278 and as Amended Hereby is in Full Force and Effect. Except as amended by this resolution, all other provisions of Resolution No. 5099, as previously amended by Resolution No. 5278, shall remain in full force and effect.

Section 8. 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.

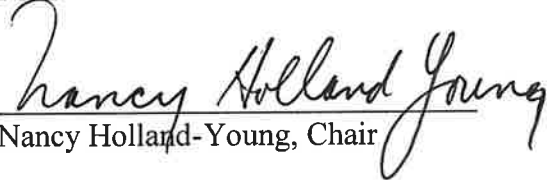
Section 9. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 10. 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 9<sup>th</sup> day of November, 2011.

HOUSING AUTHORITY OF THE  
COUNTY OF KING

By:

  
Nancy Holland-Young, Chair

  
\_\_\_\_\_  
Stephen J. Norman, Secretary

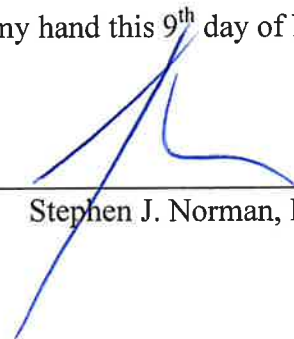
CERTIFICATE

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. 5348 (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 the 9<sup>th</sup> day of November, 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 9<sup>th</sup> day of November, 2011.

  
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Stephen J. Norman, Executive Director  
of the Authority