

**THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5356**

**APPROVING THE USE OF \$10,000,000 NEW MARKETS TAX CREDIT
(NMTC) ALLOCATION TO FINANCE THE NAVOS MENTAL HEALTH AND
WELLNESS CENTER AND AUTHORIZING THE EXECUTIVE DIRECTOR TO
TAKE ACTIONS NECESSARY TO ENSURE THE SUCCESSFUL
INVESTMENT AND MANAGEMENT OF NMTCS INTO THE PROJECT**

WHEREAS, NAVOS is a provider of mental health and wellness services and supportive housing to many low income residents suffering from mental illness in the communities which KCHA serves, and currently provides housing to low income residents afflicted with mental health issues that receive assistance from KCHA; and,

WHEREAS, NAVOS Mental Health Services is developing a Mental Health and Wellness Center project in Burien, WA which will provide mental health services, crisis intervention, chemical dependency treatment, counseling and case management for mentally ill individuals, many of which are low income; and

WHEREAS, KCHA partners closely with NAVOS as part of the regional effort to end homelessness in Seattle / King County, and this clinic is expected to serve many of the formerly homeless individuals and families housed through these efforts; and

WHEREAS, the Burien Mental Health and Wellness Center will also provide individualized services to people with serious and persistent mental illness living in NAVOS' supported, low income housing much of which receives direct or indirect financial assistance through KCHA; and

WHEREAS, the CDFI Fund of the U.S. Treasury has awarded KCHA a 2010 New Markets Tax Credit allocation of \$28,000,000 ("NMTC Allocation") to finance the acquisition, construction, and renovation, of community facilities and other projects benefiting low income populations such as the NAVOS Mental Health and Wellness Center in Burien, WA (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 Project was presented to the North and South King County Resident Advisory Councils for review on November 15, 2011 and was identified by the Councils as a suitable project for financing using KCHA's 2010 NMTC Allocation; and

WHEREAS, KCHA has caused the creation of KCHA New Markets Partner 20 LLC, a Washington limited liability company ("Subsidiary CDE"), which acts as a subsidiary CDE in order to facilitate the financing of the NAVOS Project through the use of the NMTC Allocation, of which KCHA is the managing member; and

WHEREAS, KCHA desires to sub-allocate \$10,000,000 of KCHA's NMTC Allocation to the Subsidiary CDE for the benefit of the NAVOS 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, US Bank, N.A. has been identified as a potential equity investor ("Equity Investor"), and NAVOS has been identified as potential leveraged lender ("Leveraged Lender") (Equity Investor and Leveraged Lender collectively, "Investors") to ("Fund") through which the Investors will make a qualified equity investment ("QEI") into the Subsidiary CDE in exchange for the NMTC Allocation; 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 \$9,800,000 to non-profit

corporation established by NAVOS to provide support to NAVOS and to serve as the Qualified Active Low Income Community Business (“QALICB”) for the purpose of acquiring and developing the NAVOS 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. to become the managing member of the Subsidiary CDE; and
- 1.3. to review, negotiate, select and approve an appropriate financing structure that is necessary to ensure successful participation by the Investors in the Fund; and
- 1.4. acting in its own capacity or as a managing member of the Subsidiary CDE, to enter into, execute, and deliver all such documents, including but not limited to the QLICI loan documents, the amended and restated operating agreement of the Subsidiary CDE, and other documents, instruments, and agreements in connection with and in implementation of the foregoing on behalf of KCHA and/ or the Subsidiary CDE; and
- 1.5. in its capacity as CDE and as a managing member of the Subsidiary CDE, to assess and collect fees from the QALICB for the services of the CDE and Subsidiary CDE.

2. On behalf of KCHA, in its capacity as the CDE and 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 KCHA and/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 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.

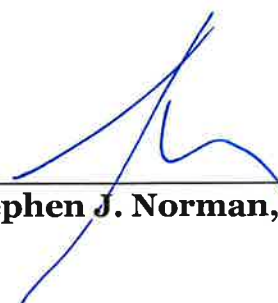
4. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the King County Housing Authority at a regular open public meeting this 14th day of December 2011.

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



Nancy Holland-Young, Chair
Board of commissioners



Stephen J. 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. 5356 (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 meeting of the Authority held on December 14, 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 14th day of December, 2011.



Executive Director of the Authority

