

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5394

(Greenbridge HomeSight Phase 2)

A RESOLUTION providing for the disposition of eight lots in the Greenbridge HOPE VI Redevelopment of Park Lake Homes I to HomeSight, land purchase and home construction financing to HomeSight, and the deferral of a portion each lot price payment until the earlier of the first resale of the lot and home built upon it or thirty years, all to provide for low-income homeownership on the lots.

ADOPTED August 8, 2012

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(Greenbridge HomeSight Phase 2)

Providing for the disposition of eight lots in the Greenbridge HOPE VI Redevelopment of Park Lake Homes I to HomeSight, the donation and the deferral of a portion each lot price payment until the earlier of the first resale of the lot and home built upon it or thirty years, land purchase and home construction financing to HomeSight, all to provide for low-income homeownership on the lots and lever new funds for down payment assistance.

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**WHEREAS**, King County Housing Authority is developing the Greenbridge HOPE VI project in White Center with the objective of providing affordable rental and home ownership opportunities for KCHA residents and residents of King County; and,

**WHEREAS**, King County Housing Authority and HomeSight are applying for down payment assistance from the Federal Home Loan Bank Affordable Housing Program (“AHP Proceeds”) and from others sources, such as King County and the State of Washington,

**WHEREAS**, HomeSight has a successful record of developing and selling affordable homes for ownership by low-income households in Greenbridge and the South King County area; and,

**WHEREAS**, KCHA has demolished substandard housing located upon, has platted, and has provided utilities to Greenbridge Lots 18-25 in Greenbridge block E10 (“Lots”), thereby making them fully serviced finished lots; and,

**WHEREAS**, KCHA and HomeSight have negotiated a lot sales price of \$60,000 for the Lots in a project assisted by AHP Proceeds; and,

WHEREAS, HomeSight (“Borrower”) has applied to the Authority for financial assistance in the principal amount of up to \$1,500,000 (“Loan”) to finance the construction of eight homes on those Lots that will provide homeownership opportunities to low-income persons in King County, Washington (“Project”); and

WHEREAS, HomeSight is currently under contract with KCHA through which it is successfully repaying a 2010 construction loan of \$1,300,000 for the construction of 7 homes at Greenbridge;

WHEREAS, low-income home buyers in the Project will require additional assistance with down payments such as a deferral for a number of years of a portion of the lot price.

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

1. Lot Disposition to HomeSight The disposition of the Lots to HomeSight for the price of \$60,000 per lot plus associated closing costs is approved, conditioned upon receipt of the Federal Home Loan Bank Affordable Housing Program Proceeds, which price shall reimburse the Authority for the costs to demolish substandard housing on the lot and to replace associated infrastructure serving the Lots. The Authority has determined that \$45,000 represents the cost to demolish substandard units on the Lots and to provide access, drainage and utilities necessary to establish finished lots. The difference between the lot price and cost of improvements is \$15,000 which can be described as land value. As a condition of the funding application, the Authority would make a donation of 50% of the land value at \$7,500 per lot or \$60,000 to the Project for the purposes of providing low-income home ownership opportunities at Greenbridge and leveraging new funding for down payment assistance. The Executive Director or a Deputy Executive Director is authorized to execute all documents necessary to effectuate such disposition, which documents may provide that a portion of the lot price payment representing

infrastructure and demolition reimbursements may be deferred at no additional cost until the sale of the home constructed upon the lot.

2. Deferred Homebuyer Loans In addition to the land value donation, the Authority is authorized to defer payment of an average of \$7,500 per unit of the lot price portion of each homebuyer's home price until the earlier of the first resale of the home or thirty years, upon such terms as are necessary to achieve the low-income targets of the Project.
3. Construction Financing Loan The Authority is authorized to make the Loan to the Borrower on the terms set forth in this resolution. Such financing is declared and determined to be necessary for feasibility of the Project. All proceeds of the Loan shall be disbursed pursuant to and subject to the conditions of the Loan Documents. The Loan shall be in a principal amount not to exceed \$1,500,000; shall have an initial maturity date not more than 12 months after the date the Loan is made; shall bear simple interest at the rate of 1% per annum, payable at maturity of the Loan. The Loan shall be governed by the terms of a loan agreement, evidenced by a note and secured by a deed of trust.

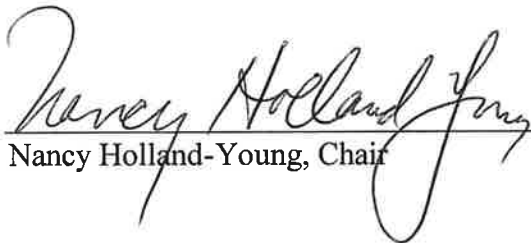
The Borrower may make Draws upon the Loan in any amount on any business day during the term of the Loan for the purposes identified above. No draw may exceed the total amount of the costs to be paid from such draw, and the proceeds of each draw shall be used immediately to pay those costs, or to reimburse the Borrower for such costs paid by the Borrower. Draws shall be recorded in such form as the Borrower and the Authority may agree. Draws shall be limited to an aggregate principal amount of \$1,500,000.

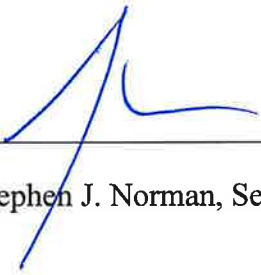
If the Note is not paid when properly presented at its maturity date, the Borrower shall be obligated to pay interest on the Note at the default rate of 10% per annum, compounded, until the Note, both principal and interest, is paid in full.

4. 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.
5. 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 8th day of August, 2012.

HOUSING AUTHORITY OF THE COUNTY OF KING

By:   
Nancy Holland-Young, Chair

  
Stephen J. Norman, Secretary



CERTIFICATE

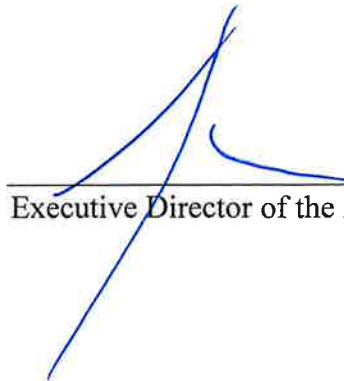
I, the undersigned, the duly chosen, qualified and acting Executive Director of the Housing Authority of the County of King (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 5394 (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 August 8, 2012, and duly recorded in the minute books of the Authority.

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail or by personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix 1;

3. That such meeting was duly convened and held in all respects in accordance with law; 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 8th day of August 2012

  
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Executive Director of the Authority

