

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5415

AUTHORIZING THE COMMITMENT OF \$2 MILLION IN MOVING TO WORK WORKING CAPITAL RESERVES FOR THE PURPOSE OF PROVIDING PREDEVELOPMENT, EQUITY AND LOAN FINANCING FOR DEVELOPMENT OF 77 UNITS OF SENIOR/DISABLED LOW-INCOME HOUSING

WHEREAS, The King County Housing Authority (KCHA) has subdivided a KCHA owned, vacant 3.7 acre development site from the Vantage Glen property located near 18100 107th Pl. SE Renton, WA; and

WHEREAS, KCHA has worked closely with King County and the City of Renton to insure that the zoning and comprehensive plan for the Vantage Glen development site permits up to 77 units of multifamily housing; and

WHEREAS, the site's close proximity to shopping, public transportation and medical services make it an ideal location for 77 units of federally subsidized senior/disabled low-income housing; and

WHEREAS, KCHA has budgeted funds over the last 3 years for planning, preliminary design, engineering, legal and other predevelopment costs and has budgeted an additional \$900,000 in Moving to Work (MTW) working capital in the 2013 KCHA budget for the architectural and engineering services necessary to complete the design and provide both contract and permit documents for the project; and

WHEREAS, KCHA has received a preliminary commitment of 9% Low Income Housing Tax Credits (LIHTC) from King County and expects to be submitting a full application for Low Income Tax Credits to the Washington State Housing Commission in January 2013 for the project; and

WHEREAS, The Vantage Glen senior/disabled low-income housing project is expected to cost approximately \$19 million and financial projections indicate that

approximately \$2 million in developer equity, in addition to other sources of financing, will be needed to fully finance the project; and,

WHEREAS, KCHA's LIHTC application must demonstrate that the project can be fully financed and has all needed commitments of local funding; and

WHEREAS, KCHA needs to assure that adequate equity financing will be available prior to initiating the next phase of project development; and

WHEREAS, it is uncertain that KCHA will have sufficient unencumbered net operating income in future years to address the equity funding needs of this project; and

WHEREAS, the project is expected to be operated utilizing Federal subsidies pursuant to Sections 8 and/or 9 of the U.S. Housing Act, and will serve households at or below 50% of the area median income; and

WHEREAS, under its Moving to Work (MTW) authorizations, KCHA may combine its Public Housing Operating, Capital and Section 8 funding into a block grant and use those funds flexibly across permitted activities under Sections 8 and 9 of the U.S. Housing Act of 1937 including the development and operation of newly built low-income and public housing; and,

WHEREAS, KCHA has been successful under the MTW Program in streamlining agency operations and costs in order to develop working capital for the purposes of advancing statutory MTW Demonstration Program objectives;

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

SECTION 1. \$2 million in Moving to Work working capital is hereby committed for the purpose of financing the development of the Vantage Glen Senior/Disabled Low-Income Housing Project. The financing assistance may be in the form of an equity contribution or a low interest non-amortizing loan on terms determined by the Executive Director. Funds may be advanced to pay for architectural, engineering and other

predevelopment costs. All funds will be obligated and expended by the end of 2015. Progress in obligating and spending these funds should be included in KCHA's Annual MTW Reports.


SECTION 2. The Executive Director shall report this commitment to the U.S. Department of Housing and Urban Development in an appropriate format so as to clearly indicate that these funds have been committed.

SECTION 3. The Executive Director is authorized to submit Low-Income Housing Tax Credit, Washington State Housing Trust Fund and other financing applications in connection with this commitment.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT A MEETING THEREOF THIS 17TH DAY OF DECEMBER 2012.

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


for **DOUG BARNES, Chair**
Board of Commissioners


STEPHEN J. NORMAN
Secretary

