

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5647

(WOODLAND NORTH PROJECT)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King declaring the Authority's intention to sell tax-exempt obligations to provide financing to Woodland North LLLP (the "Partnership"), a Washington limited liability limited partnership of which the Authority is the sole general partner, in connection with the acquisition, rehabilitation and equipping of the Woodland North Apartments; amending Resolution No. 5639 of the Authority to amend the not to exceed amounts, and to expand the authorized uses of the proceeds of the loan to the Partnership to be made with proceeds, of the Authority's Revenue Note, 2020 (Woodland North Project) (Tax-Exempt) and Revenue Note, 2020 (Woodland North Project) (Taxable); supplementing Resolution No. 5638 of the Authority to revise the amounts and types of financing to be provided by the Authority to the Partnership; and determining related matters.

ADOPTED FEBRUARY 18, 2020

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WHEREAS, the Housing Authority of the County of King (the "Authority") seeks to encourage the provision housing for low-income persons residing in King County, Washington; and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project"; 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(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income"; and

WHEREAS, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, the Authority has formed Woodland North LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the “Partnership”) to finance the acquisition, rehabilitation and equipping of the an approximately 105-unit multifamily housing complex currently known as the Woodland North Apartments, and located at 3611 NE 155th Street, Lake Forest Park, Washington (the “Project”), the estimated cost of which is not expected to exceed \$50,000,000; and

WHEREAS, the Partnership has requested that the Authority issue and sell its revenue obligations for the purpose of assisting the Partnership in financing or refinancing the Project; and

WHEREAS, the Authority desires to provide such assistance, if certain conditions are met; and

WHEREAS, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations;

WHEREAS, on November 18, 2019, the Board of Commissioners (the “Board”) of the Authority adopted Resolution No. 5639 (the “Original Note Resolution”) providing for the issuance of the Authority’s Revenue Note, 2020 (Woodland North Project) (Tax-Exempt) (the “Tax-Exempt Note”) and Revenue Note, 2020 (Woodland North Project) (Taxable) (together with the Tax-Exempt Note, the “Notes”), for the purpose of making a loan to the Partnership to

provide a portion of the funds required to finance the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, the Partnership has requested that the Authority increase the maximum principal amount of the Tax-Exempt Note and the combined maximum principal amount of the Notes, and that the Authority expand the authorized uses of the proceeds of the loan to the Partnership to be made with proceeds of the Notes to include refunding or repayment of other obligations of the Partnership incurred to finance costs of acquiring, rehabilitating, and/or equipping the Project; and

WHEREAS, the Board has determined that it is necessary and advisable and in the best interest of the Authority to modify the Original Note Resolution to provide for these changes to the Original Note Resolution, and to provide discretionary authority to officers of the Authority to determine not to issue one of the Notes; and

WHEREAS, on November 18, 2019, the Board adopted Resolution No. 5638 (the “Original Omnibus Resolution”) authorizing, among other things, the Authority to make available to the Partnership long term seller financing in the approximate amount of \$12,000,000, interim seller financing in the approximate amount of \$11,200,000, and subordinate loan financing in the approximate amount of \$4,200,000, and to accept a deferred development fee in an undetermined amount; and

WHEREAS, the Partnership has requested that in lieu of deferred development fee contemplated in the Original Omnibus Resolution and certain lease payments as described in the Lease (as defined in the Original Omnibus Resolution), the Authority increase the maximum principal amount of subordinate loan financing to be provided by the Authority to the Partnership; and

WHEREAS, the Partnership has requested that in lieu of the Long Term Seller Financing (as defined in the Original Omnibus Resolution) and the Interim Seller Financing (as defined in

the Original Omnibus Resolution), the Authority provide seller financing in the amount of up to \$24,400,000 (acquisition financing to be provided to the Partnership through lease payment structure) (the “Seller Financing”); and

WHEREAS, the Board has determined that it is necessary and advisable and in the best interest of the Authority to modify the Original Omnibus Resolution to provide for these changes; **NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING, as follows:**

Section 1. Definitions. Except as otherwise set forth herein, capitalized terms used but not otherwise defined in the recitals and elsewhere in this resolution shall have the meanings assigned to them in Resolution No. 5639 of the Authority.

Section 2. Declaration of Intent to Issue Tax-Exempt Obligations and to Permit Use of Proceeds to Reimburse Project Expenditures.

(a) To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to issue and sell the Tax-Exempt Note and other tax-exempt revenue bonds or other obligations (collectively, the “Obligations”) in an aggregate principal amount not to exceed \$25,000,000, to use the proceeds of the sale of the Obligations to make one or more loans (together, the “Conduit Loans”) to the Partnership, and to permit the Partnership to reimburse itself or the Authority, as applicable, from proceeds of the Obligations for expenditures for the Project made by the Partnership or the Authority before the respective issue dates of the Obligations.

(b) The proceeds of the Obligations will be used to assist in financing the Project, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Obligations.

(c) The Obligations may be issued in one or more series, and shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall be provided by resolution of the Board of Commissioners of the Authority.

(d) The Obligations shall be issued subject to the conditions that (i) the Authority, the Partnership and the purchaser(s) of the Obligations shall have first agreed to mutually acceptable terms for the Obligations and the sale and delivery thereof and mutually acceptable terms and conditions of the Conduit Loans or other agreement for the Project, and (ii) all governmental approvals and certifications and findings required by laws applicable to the Obligations first shall have been obtained.

(e) For purposes of applicable Treasury Regulations, the Partnership is authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Obligations authorized herein. However, the adoption of this resolution does not constitute a guarantee that the Obligations will be issued or that the Project will be financed as described herein.

(f) It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue dates of the Obligations from proceeds of the Obligations, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

Section 3. Amendment of Section 2 of the Original Note Resolution. Section 2 of Resolution No. 5639 is hereby amended and restated in its entirety to read as follows [*new text double underlined, deleted text struck through*]:

Section 2. Authorization of Notes and Application of Proceeds. The Authority shall issue and sell the Notes in an aggregate principal

amount not to exceed ~~\$12,000,000~~ \$13,000,000 for the purpose of making a loan to the Partnership to provide a portion of the funds required to accomplish the Project or to refund or repay obligations of the Partnership incurred to finance costs the Project. Such Note financing is declared and determined to be important for the feasibility of the Project. All proceeds from Draws on the Notes shall be lent to the Partnership for those purposes. The Board finds that it is in the best interest of the Authority to issue the Notes for the purposes set forth in this resolution. The Authorized Officers, and each of them acting alone, are hereby granted the discretionary authority to determine to issue and sell only one of the Notes.

Section 4. Amendment of Section 3 of the Original Note Resolution. The first sentence of Section 3 of Resolution No. 5639 is hereby amended and restated in its entirety to read as follows [*new text double underlined, deleted text struck through*]:

The Notes shall be designated the Revenue Note, ~~{2019/2020}~~ (Woodland North Project) (Taxable) (the “Taxable Note”) and Revenue Note, ~~{2019/2020}~~ (Woodland North Project) (Tax-Exempt) (the “Tax-Exempt Note”), of the Authority; shall be in an aggregate principal amount not to exceed ~~\$12,000,000~~ \$13,000,000; shall be dated their date of delivery to the Bank; and shall each be numbered R-1.

Section 5. Amendment of Section 4 of the Original Note Resolution. The third through fifth (inclusive) sentences of Section 3 of Resolution No. 5639 are hereby amended and restated in their entirety to read as follows [*new text double underlined, deleted text struck through*]:

Draws on the Taxable Note shall be limited to an aggregate principal amount of not to exceed \$1,000,000. Draws on the Tax-Exempt Note shall be limited to an aggregate principal amount of not to exceed ~~\$11,000,000~~ \$12,000,000. Total Draws on the Notes shall be limited to an aggregate principal amount of not to exceed ~~\$12,000,000~~ \$13,000,000.

Section 6. Supplemental Authorization to Increase the Maximum Principal Amount of Subordinate Loans. The Authority is authorized to lend to the Partnership, and the Partnership is authorized to borrow from the Authority, up to an additional \$15,800,000 of available Authority funds in excess of the amount of the Subordinate Loan (as defined in the Original Omnibus Resolution) contemplated by the Original Omnibus Resolution. Such amount may, at the discretion of the Executive Director, be evidenced by one or more notes (collectively, the “Subordinate Loan”). The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the source (or sources) of funds for each Subordinate Loan. The Subordinate Loans are in addition to loans to the Partnership by the Authority of taxable and/or tax-exempt note and/or bond proceeds to the Partnership and acquisition financing to be provided to the Partnership through delayed capitalized Lease Payments (as defined in the Original Omnibus Resolution).

Section 7. Supplemental Authorization to Increase the Maximum Principal Amount of Seller Financing. The Authority is authorized to provide to the Partnership, and the Partnership is authorized to accept, up to \$24,400,000 of financing for the acquisition of the Project in the form of Seller

Financing (as defined above). Such Seller Financing shall be in lieu of the Long Term Seller Financing (as defined in the Original Omnibus Resolution) and the Interim Seller Financing (as defined in the Original Omnibus Resolution).

Section 8. Determinations as to Loan Financing. The loan financing authorized by the Original Omnibus Resolution, together with additional financings authorized by Sections 6 and 7 of this resolution, is important for the feasibility of the Project and necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law (chapter 35.82 RCW).

Section 9. No Other Changes to Original Note Resolution or Original Omnibus Resolution. Except as and to the extent modified by this resolution, Resolution No. 5639 and Resolution No. 5638 shall remain in full force and effect.

Section 10. 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 11. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED AT THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 18TH DAY OF FEBRUARY, 2020.

HOUSING AUTHORITY OF THE COUNTY OF KING

By 
Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:



Stephen J. Norman
Executive Director

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and 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 copy of Resolution No. 5647 (the "Resolution") is a full, 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 February 18, 2020, 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, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 600 Andover Park W., Tukwila, Washington 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. 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 18th day of February, 2020.


STEPHEN J. NORMAN, Acting Secretary and
Deputy Executive Director of the Authority

CERTIFICATE

SPECIAL MEETING OF THE BOARD OF COMMISIONERS AGENDA

February 18, 2020 - 8:30 a.m.

King County Housing Authority - Snoqualmie Conference Room
700 Andover Park West, Tukwila, WA 98188

I.	Call to Order	
II.	Roll Call	
III.	Public Comment	
IV.	Approval of Minutes	1
	A. Board Meeting Minutes – December 16, 2019	
	B. Board Meeting Minutes – January 21, 2020	
V.	Approval of Agenda	
VI.	Consent Agenda	2
	A. Voucher Certification Reports for November 2019	
	B. Voucher Certification Reports for December 2019	
VII.	Resolution for Discussion and Possible Action	
	A. Resolution No. 5646 –	3
	A RESOLUTION of the Housing Authority of the County of King authorizing the Executive Director to submit a proposal to Sound Transit for selection of a Qualified Entity and a Master Development Team to implement a Transit Oriented Development Project at the Spring District/120 th Station and Operations and Maintenance Facility East (OMFE) in Bellevue, WA.	
	B. Resolution No. 5647 –	4
	Resolution declaring the Authority's intention to sell tax-exempt obligations to provide financing to Woodland North LLLP in connection with the acquisition, rehabilitation and equipping of the Woodland North Apartments; amending Resolution No. 5639 to expand the authorized uses of the proceeds of the loan of proceeds of the Authority's Revenue Notes, 2020 (Woodland North Project) (Tax-Exempt) and (Taxable); and determining related matters.	
	C. Resolution No. 5648 -	5
	Resolution declaring the Authority's intention to sell tax-exempt obligations to provide financing to Abbell LLLP in connection with the acquisition, rehabilitation and equipping of the Bellevue Manor Apartments and the Abbey Ridge Apartments; amending Resolution No. 5637 to expand the authorized uses of the proceeds of the loan of proceeds of the Authority's Revenue Notes, 2020 (Bellevue Manor and Abbey Ridge Projects) (Tax-Exempt) and (Taxable); and determining related matters.	
VIII.	Briefings & Reports	
	A. New Bank Accounts	6
	B. Fourth Quarter Procurement Report	7
	C. Fourth Quarter 2019 Summary Write Off Report	8
	D. Capital Report Briefing	9
	E. Q4 2019 Executive Dashboard	10
	F. 2019 Year End Investment Report	11
IX.	Executive Session	
	A. To review the performance of a public employee (RCW 42.30.110 (1) (g))	
X.	Executive Director Report	
XI.	KCHA in the News	12
XII.	Commissioner Comments	
XIII.	Adjournment	