

**HOUSING AUTHORITY OF THE COUNTY OF KING**

**RESOLUTION NO. 5828**

**(TRAILHEAD DEVELOPMENT)**

A RESOLUTION of the Housing Authority of the County of King authorizing the Authorized Representatives to enter into certain transactions in connection with the acquisition, financing, construction, equipping, and operation of the Trailhead Apartments mixed-use rental housing project; authorizing the negotiation, approval, execution and delivery of documents relating to the foregoing; and determining related matters.

ADOPTED MAY 18, 2026

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

**Section 1.** The Board of Commissioners (the "**Board**") of the Housing Authority of the County of King (the "**Authority**") finds and determines that:

(a) The Authority seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington (the "**County**").

(b) The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) "prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof" (RCW 35.82.070(2)); (ii) "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project and . . . to establish and revise the rents or charges therefor" (RCW 35.82.070(5)); (iii) "make and execute contracts and other instruments, including but not limited to partnership agreements" (RCW 35.82.070(1)); (iv) sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein (RCW 35.82.070(5)); (v) "make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income" (RCW 35.82.070(19)); and (vi) "delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper" (RCW 35.82.040). The phrase "housing project" is defined by RCW 35.82.020 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."

(c) The Authority is the fee owner of certain real property located in the vicinity of 1467 NW Maple Street (also known as 1550 Newport Way NW), Issaquah, Washington, which the Authority intends to partition pursuant to a short plat into two parcels, one of which (referred to herein as the "**Property**") the Authority has identified as a site for the development of a mixed-use affordable housing project currently known as the Trailhead development, which development will consist of the construction of an eight-story multi-use building (the "**Building**") to include (i) an affordable housing development containing approximately 156 residential rental units (including two manager's units) and associated amenities and common areas (the "**Housing Project**"); (ii) ground-floor non-

residential space in shell condition to be used as the Issaquah Opportunity Center Unit (the "**Issaquah Opportunity Center**") to be owned and operated by the City of Issaquah (the "**City**"), and (iii) three residential apartments and related amenities located on the third floor of the Building for residents with developmental disabilities (collectively, the "**LEO Space**" and, together with the Housing Project and Issaquah Opportunity Center Unit, collectively referred to as the "**Project**") to be owned and operated by Life Enrichment Options, a Washington nonprofit corporation ("**LEO**").

(d) The Authority has previously been authorized to participate in the formation of and become the sole general partner of Trailhead Apartments LLLP, a Washington limited liability limited partnership (the "**Partnership**"), to develop and construct the Project, and has been further authorized to conduct certain predevelopment activities prior to financial closing for the purposes of preparing the Project to be developed and constructed by the Partnership.

(e) The Authority desires to enter into a long-term financing lease (the "**Lease**") of the Property and the Project with the Partnership for a maximum term of approximately 99 years, pursuant to which the Partnership will acquire for federal tax purposes ownership of the Project. The total lease payments (the "**Lease Payments**") under the terms of the Lease will be an amount equal to the estimated fair market value of the Property which is currently estimated to be approximately \$7,000,000, as such amount may be adjusted prior to execution of the Lease during underwriting. In connection with the partition and leasing of the Property, the Authority may also enter into certain covenants, easements, licenses, shared use and/or joint maintenance agreements related to certain amenity space and/or otherwise necessary or desirable for the development and/or operation of the Project (collectively referred to as "**Easements**").

(f) The Authority anticipates receiving an initial cash Lease Payment from the Partnership as the Authority deems appropriate, with any remaining balance of the Lease Payments to be paid to the Authority by the Partnership in the form of a loan in the principal amount of up to the aggregate amount of the Lease Payments payable pursuant to the Lease (the "**Seller Financing**"). Terms of the Lease, including the timing and amounts of the Seller Financing payments, shall be determined by an Authorized Representative (defined below).

(g) The Authority desires to utilize low income housing tax credits ("**Low Income Housing Tax Credits**") and may utilize renewable energy tax credits, if applicable ("**Energy Tax Credits**") and, together with the Low Income Housing Tax Credits, collectively referred to herein as the "**Credits**") to finance a portion of the costs of the acquisition and construction of the Project.

(h) The Authority desires to seek an equity investment from a tax credit investor (the "**Tax Credit Investor**") pursuant to which the Tax Credit Investor will acquire a 99.99% limited partnership interest in the Partnership in exchange for capital contributions in an amount to be determined by the Authority, which capital contributions will provide a significant source of financing for the Project (the "**Tax Credit Equity**").

(i) Additional debt financing for the Project will be provided by the Authority through the issuance of tax-exempt and/or taxable bonds or revenue notes in the aggregate principal amount of up to \$85,000,000 (collectively, the "**Bonds**") the proceeds of which will be used to fund one or more loans to the Partnership.

(j) Additional debt financing for the Project may further be provided by the Authority through the borrowing of funds from the Authority's taxable line of credit (the "**Line of Credit Financing**"), the proceeds of which may be used to fund one or more loans to the Partnership.

(k) The Authority desires to obtain permanent long-term financing for the Project in an approximate amount of \$5,000,000 from the Washington State Department of Commerce (the "**State**"), or such higher or lower amount as an Authorized Representative deems reasonably necessary or advisable, which may be in the form of one or more loans from the State to the Partnership, one or more loans from the State to the Authority which are assigned to the Partnership, or one or more loans from the State to the Authority which are used to fund all or a portion of a loan from the Authority to the Partnership (the "**State Financing**").

(l) The Authority desires to utilize permanent long-term financing in an approximate amount of \$3,500,000 from, collectively, the city of Bellevue, city of Bothell, city of Clyde Hill, town of Hunts Point, city of Issaquah, city of Kenmore, city of Kirkland, city of Medina, city of Mercer Island, city of Newcastle, city of Redmond, city of Sammamish, city of Woodinville, and town of Yarrow Point, each a State of Washington municipal corporation and each of which is a member of A Regional Coalition for Housing ("**ARCH**"), which is administered by the City of Bellevue, as administering agency, and a portion of which financing is anticipated to be provided by the City, or such higher or lower amount as an Authorized Representative deems reasonably necessary or advisable, which financing may be in the form of one or more loans from ARCH or the City to the Partnership, one or more loans from ARCH or the City to the Authority which are assigned to the Partnership, or one or more loans from ARCH or the City to the Authority which are used to fund all or a portion of a loan from the Authority to the Partnership (the "**ARCH Financing**").

(m) The Authority previously obtained financing in the amount of \$10,000,000 from King County (the "**County**") as well as a commitment from the County for additional financing in the amount of \$1,000,000. A portion of the financing from the County was previously used by the Authority to acquire the Property and the remainder of which the Authority intends to use to fund all or a portion of loan(s) from the Authority to the Partnership (the "**County Financing**").

(n) In addition to the Seller Financing, Bonds and Line of Credit Financing, the Authority may provide pre-development advances for the benefit of the Partnership (collectively, the "**Predevelopment Financing**"); one or more subordinate loan(s) to the Partnership in the aggregate principal amount of up to \$20,000,000 (collectively, the "**Subordinate Loan**"); and a deferred development fee (the "**Deferred Development Fee**") and may enter into a Section 8 HAP Contract ("**HAP Contract**") and, together with the Lease Payments, Deferred Development Fee, Bonds, Line of Credit Financing, ARCH Financing, County Financing, State Financing, Seller Financing, Predevelopment Financing, Tax Credit Equity and Subordinate Loan, collectively, the "**Project Financing**"), all on such terms and in such amounts as an Authorized Representative may approve.

(o) The Authority intends, after sufficient completion of the Project, to subject the Property to a leasehold condominium regime and related appurtenant rights within the Property (the "**Condominium**"), pursuant to which the Property will be divided into three separate leasehold condominium units: (i) a unit that will consist of primarily the Housing Project (the "**Housing Unit**,"

which term includes all easements and rights appurtenant to that condominium unit); (ii) a unit that will consist of the Issaquah Opportunity Center to be owned and operated by the City (the "**Issaquah Opportunity Center Unit**" which term includes all easements and rights appurtenant to that condominium unit), and (iii) a unit that will consist of the LEO Space to be owned and operated by LEO (the "**LEO Unit**" which term includes all easements and rights appurtenant to that condominium unit, and together with the **Issaquah Opportunity Center Unit**, the "**Commercial Units**") and, collectively with the Housing Unit and Issaquah Opportunity Center Unit, the "**Units**"). In connection with the creation of the Condominium, the Authority intends (1) to enter into and deliver such documents as are necessary or desirable to submit the Property to such Condominium regime; (2) to cause the formation of a condominium association and to enter into and deliver any such documents as are necessary or desirable in connection with the creation and operation of such condominium association; and (3) to sell the Commercial Units to the City and to LEO, respectively, in connection with the Project, and to enter into and deliver such documents deemed necessary or desirable to consummate such sale transactions (collectively, the documents in this paragraph are referred to as the "**Condominium Documents**"). Following formation of the Condominium and satisfaction of additional conditions for release set forth in the documents evidencing the Project Financing, the LEO Unit and Opportunity Center Unit will no longer be considered part of the "Project" for purposes of the Project Financing.

**Section 2.** The Authority is authorized and directed to (i) apply to the Washington State Housing Finance Commission (the "**Commission**") for a reservation of Low Income Housing Tax Credits, (ii) take such steps as are necessary to obtain the Energy Tax Credits and (iii) seek and select the Tax Credit Investor. The Authorized Representative is authorized and directed to take any other action and to negotiate, execute, and deliver on behalf of the Authority such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as general partner of the Partnership, in connection with the tax credit application, the selection of the Tax Credit Investor and the admission of the Tax Credit Investor into the Partnership as its limited partner(s), such documents including, but not limited to, an Amended and Restated Agreement of Limited Liability Limited Partnership, Development Agreement, Property Management Agreement and Addendum, Partnership Administration Agreement, Investor Services Agreement, General Partner Certificate, Purchase Option and Right of First Refusal Agreement, Tax Representation Letter and such other documents as may be deemed necessary or desirable by an Authorized Representative with respect to the foregoing.

**Section 3.** The Authority is authorized and directed to take such steps on behalf of itself, either in its individual capacity as a public body corporate and politic, or in its capacity as general partner of the Partnership on behalf of the Partnership, in connection with obtaining the State Financing, the County Financing and the ARCH Financing, including, without limitation, submitting applications for funding. Each Authorized Representative is authorized and directed to negotiate, execute and deliver on behalf of the Authority, either in its individual capacity as a public body corporate and politic, or in its capacity as general partner of the Partnership on behalf of the Partnership, those documents reasonably required to close on the State Financing, the County Financing and the ARCH Financing, including but not limited to, such contracts, funding agreements, loan agreements, notes, deeds of trust, regulatory agreements, restrictive covenants and such other documents as may be deemed reasonable by an Authorized Representative with respect to the State Financing, County Financing and the ARCH Financing.

**Section 4.** The Authority is authorized and directed to take such steps on behalf of itself, either in its individual capacity as a public body corporate and politic, or in its capacity as general partner of the Partnership, to provide financing for the Project in the form of the Deferred Development Fee, Seller Financing, Predevelopment Financing, Line of Credit Financing and Subordinate Loan, which financing may be in the form of loans or capital contributions. Each Authorized Representative is authorized and directed to negotiate, execute and deliver on behalf of the Authority, either in its individual capacity as a public body corporate and politic, or in its capacity as general partner of the Partnership on behalf of the Partnership, those documents reasonably required to close on the Deferred Development Fee, Seller Financing, Predevelopment Financing, Line of Credit Financing and Subordinate Loan as may be deemed reasonable by an Authorized Representative.

**Section 5.** The Authority is authorized and directed to enter into the Lease, Condominium Documents, Easements and the Project Financing, and each Authorized Representative is authorized and directed to take any other action and to execute such other documents on behalf of the Authority as may be required to be taken or executed by the Authority, on behalf of itself, in its individual capacity as a public body corporate and politic, as lessor, lender or in its capacity as general partner of the Partnership on behalf of the Partnership, in connection with the Lease, Condominium Documents, Easements and the Project Financing and the negotiation, execution, and delivery of such documents as may be deemed reasonable by an Authorized Representative with respect to the foregoing.

**Section 6.** The Board hereby authorizes each of the following, and each of them acting alone, on behalf of the Authority, in its individual capacity as a public body corporate and politic and/or as general partner of the Partnership on behalf of the Partnership, to negotiate, approve, execute, deliver, and file or record (or cause to be filed and recorded) any and all contracts, agreements, certifications or other documents in connection with the Authority's development of the Property in order to give effect to this resolution and to consummate the transactions contemplated herein: the President / Chief Executive Officer, Robin Walls; or Executive Vice President of Development and Asset Management / Chief Development Officer, Lauren Mathisen (each, an "*Authorized Representative*" and, collectively, the "*Authorized Representatives*"). The foregoing includes, without limitation, the Condominium Documents, all contracts, agreements, options, deeds, certifications or other documents in connection with the Authority's sale or lease of a portion of the Property and/or the Commercial Units pursuant to this resolution. The Authorized Representatives, and each of them acting alone, are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself and/or as general partner of the Partnership on behalf of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by this resolution.

**Section 7.** The Authority is authorized to expend such funds as are necessary to pay for all surveying fees, filing fees, application fees, registration fees, permit fees and other costs relating to the actions authorized by this resolution. Each Authorized Representative is further authorized to take such further actions including, but not limited to, the execution, delivery and, if applicable, filing (or to cause to be executed, delivered and, if applicable, filed) of any government forms, affidavits, certificates, letters, documents, agreements and instruments that such Authorized Representative determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein.

**Section 8.** Notwithstanding any other Authority resolution, rule, policy, or procedure, the Authorized Representatives, and each of them acting alone, are authorized to create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records and signatures under any security procedure or platform, as in such Authorized Representative's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein.

**Section 9.** While the titles of and parties to the documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce, and perform the documents in their final form.


**Section 10.** Any actions of the Authority or its officers and employees, including the Authorized Representatives, prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

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

**ADOPTED AT THE ANNUAL MEETING OF THE BOARD OF  
COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT  
AN OPEN PUBLIC MEETING THIS 18<sup>th</sup> DAY OF MAY, 2026.**

**HOUSING AUTHORITY OF THE COUNTY  
OF KING**

By:

  
\_\_\_\_\_  
**JERRY LEE, Chair**  
Board of Commissioners

ATTEST:



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**ROBIN WALLS**  
President/Chief Executive Officer and  
Secretary-Treasurer

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. 5828 (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 May 18, 2026, and duly recorded in the minute books of the Authority.

2. That the public was notified of access options for remote participation in the Meeting via the Authority's website.

3. That such meeting was duly convened, included an opportunity for public comment, and was 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 18th day of May 2026.



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Robin Walls, President/Chief Executive Officer and  
Secretary-Treasurer

