

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5608

**AUTHORIZING THE PURCHASE OF A PORTFOLIO OF FIVE SECTION 8-
ASSISTED PROPERTIES**

WHEREAS, there is an increasingly serious shortage of affordable housing in King County, which the King County Housing Authority (the “Authority”) is charged with addressing pursuant to its mission of providing quality affordable housing opportunities equitably distributed within King County; and

WHEREAS, it is a goal of local government and the Authority to further fair housing in the region affirmatively, in part through preservation of existing affordable housing opportunities in areas with significantly appreciating housing costs; and

WHEREAS, RCW 35.82.070(2) provides, in part, that a housing authority shall have the power to acquire housing projects within its area of operations; and

WHEREAS, RCW 35.82.100 provides that “any two or more authorities may join or cooperate with one another in the exercise of any or all of the powers conferred hereby for the purpose of financing, planning, undertaking, constructing or operating housing project or projects located within the area of operation of any one or more of said authorities”; and

WHEREAS, the Authority has entered into five interrelated contracts (collectively the “Contracts”) for the purpose of acquiring a portfolio of five separate Project-Based Section 8-assisted housing developments currently serving extremely low income persons (the “IAM Properties”), a number of which properties are located in areas identified as very high opportunity according to mapping established by the Authority and the Puget Sound Regional Council; and

WHEREAS, each of the IAM Properties is described as follows and is proposed to be sold to the Authority at the following sales price under the terms of the Contracts:

<u>Project Name</u>	<u>Location</u>	<u>Units</u>	<u>Sale Price</u>
Kirkland Heights	Kirkland	180	\$22,164,000
Juanita View	Kirkland	94	\$11,574,500
Golden Sunset	Seattle	92	\$11,328,500
Weller	Seattle	50	\$6,157,000
Martin Luther King	Seattle	120	\$14,776,000

WHEREAS, the group of owners holding title to the IAM Properties are related through common ownership by the International Association of Mechanics and Aerospace Workers District 751 and desires to sell all five projects as a portfolio to the Authority; and

WHEREAS, by separate resolution, the Authority is seeking Board approval to enter into an agreement with the Seattle Housing Authority that would allow the Authority to acquire the three Seattle properties and for the two authorities to work collaboratively to ensure the long term preservation of the properties as permanent, affordable housing resources for the City of Seattle; and

WHEREAS, the inspection contingency period under the Contracts is due to expire on November 23, 2018, and

WHEREAS, acquisition and operation of the IAM Properties will serve the mission of the Authority and the housing goals of the region by preserving five low-income federally-assisted properties through an approach that is considerably less expensive than constructing the same number of new housing units and will prevent the potential dislocation of existing residents.

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

Section 1: Purpose. Acquisition of the IAM Properties by the Authority is necessary to preserve and provide housing for persons of very low income that is equitably distributed within various areas of the County and in areas of rising rents and high housing market costs in particular.

Section 2: Waiver of Contingency and Approval of Acquisition of IAM Properties. The Executive Director of the Authority is authorized, at such time as, in his judgment, all conditions have been resolved to his satisfaction on terms reasonably favorable to the Authority, to waive the due diligence contingency and take all other action necessary under the Contracts in order to acquire the IAM Properties at prices not to exceed an aggregate \$66 million and on terms consistent with, or more favorable to the Authority than, the terms agreed in the Contracts.

Section 3: Government Filings; Other Agreements. The Board of Commissioners hereby authorizes the Executive Director of the Authority to execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed), on behalf of the Authority, any applications, agreements, certifications, government forms, notices, affidavits, documents and instruments that he determines to be necessary or advisable (i) to obtain all or part of any interim or permanent financing for the five IAM Properties, and (ii) to give effect to this resolution and consummate the transactions contemplated herein, including but not limited to management agreements, closing and title documents, and submissions to the U.S. Department of Housing and Urban Development.

Section 4: Expenditures. The Authority is authorized to expend such funds as are necessary to pay for all due diligence reports, financing and application fees, and other costs relating to the actions authorized by this resolution.

Section 5: Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may, in his absence, be taken by a Deputy Executive Director of the Authority.

Section 6: Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution, including but not limited to the execution of the five Contracts for the IAM Properties each dated September 24, 2018, are hereby ratified and confirmed.

Section 7: 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 A PUBLIC MEETING THIS 19TH DAY OF NOVEMBER, 2018.

HOUSING AUTHORITY OF THE COUNTY OF KING


DOUGLAS J. BARNES, CHAIR

ATTEST:


STEPHEN J. NORMAN, SECRETARY