

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5747

(Affordable Housing Revenue Bonds (Kirkland Heights Project))

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King providing for the issuance of one or more series of revenue bonds of the Authority in the aggregate principal amount of not to exceed \$130,000,000, the proceeds of which will be lent to New Kirkland Heights LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner; and determining related matters.

ADOPTED May 22, 2023

This document was prepared by:

*FOSTER GARVEY P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

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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. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of the County of King (the “Authority”) finds and determines:

(a) **Statutory Authorization.** 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) issue bonds, notes or other obligations for any of its corporate purpose (RCW 35.82.020(11) and RCW 35.82.130); (iv) “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)); (v) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); and (iv) “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.” The Uniform Electronic Transactions Act (chapter 1.80 RCW) provides that each governmental agency of the State “shall determine whether, and the extent to which, a governmental agency will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use and rely upon electronic records and electronic signatures” (RCW 1.80.170(1)).

(b) **Issuance of Bonds Necessary and Advisable and in the Best Interests of the Authority.** New Kirkland Heights LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the “Borrower”) has (i) applied to the Authority for financial assistance in the principal amount of up to \$130,000,000 for the purpose of providing part of the funds with which to acquire, rehabilitate, construct, and equip an affordable housing project known as Kirkland Heights, currently containing 180 units and to contain approximately 276 units after renovation (the “Project”), in the City of Kirkland, Washington, and (ii) requested

that the Authority issue revenue bonds of the Authority in an aggregate principal amount not to exceed \$130,000,000, for the purpose of assisting the Borrower in financing the Project. It is necessary and advisable, important for the feasibility of the Project, and in the best interest of the Authority to issue bonds in an aggregate principal amount of not to exceed \$130,000,000, the proceeds of which will be used to make one or more loans to the Borrower for the purposes described herein.

(c) Area of Operation. RCW 35.82.070(14) provides that a housing authority may exercise its powers within the boundaries of any city not included in its area of operation if the governing body of that city adopts a resolution declaring that there is a need for the housing authority to exercise its powers within the city. The City Council of the City of Kirkland, Washington (the "City"), the governing body of the City, adopted its Resolution No. 2747 on August 4, 1980, declaring that there is a need for the Authority to function within the City.

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

Section 2. Definitions. As used in this resolution, the following words have the following meanings, except as otherwise expressly provided or unless the context otherwise clearly requires:

"Act" means chapter 35.82 of the Revised Code of Washington.

"Acquisition Date" means the date upon which the Authority acquires the Borrower's interest in the Project or acquires the limited partner's interest in the Borrower.

"Amendment to Loan Agreement" means any amendment to a Loan Agreement between the Authority and the Borrower relating to one or more series of Bonds issued as additional bonds under an Indenture, as originally executed or as it may from time to time be supplemented, modified, or amended.

"Authority" means the Housing Authority of the County of King, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

"Authority Continuing Disclosure Agreement" means the Continuing Disclosure Agreement between the Authority and The Bank of New York Mellon Trust Company, N.A., as dissemination agent, relating to one or more series of Bonds, including any supplements or amendments thereto.

"Authorized Officers" means each of the Chair of the Board, the Executive Director of the Authority, any Deputy Executive Director of the Authority, and the Senior Director of Development and Asset Management of the Authority.

"Board" means the Board of Commissioners of the Authority.

"Bond" or "Bonds" means one or more of the Housing Authority of the County of King Affordable Housing Revenue Bonds, Series 202[3/4] (Kirkland Heights Project), which

designation may be adjusted pursuant to Section 4, or any replacement for such bonds authorized by, and at any time outstanding pursuant to, this resolution and an Indenture.

“Bond Registrar” means the entity serving as registrar, authenticating agent, and paying agent under the applicable Indenture, initially the Trustee.

“Bond Purchase Agreement” means the Purchase Contract among the Underwriter, the Borrower, and the Authority relating to the sale of one or more series of Bonds.

“Borrower” means New Kirkland Heights LLLP, a Washington limited liability limited partnership.

“Borrower Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the Borrower and The Bank of New York Mellon Trust Company, N.A., as dissemination agent, relating to one or more series of Bonds, including any supplements or amendments thereto.

“Code” means the Internal Revenue Code of 1986, as in effect on the date on which the Bonds are issued or as it may be amended to apply to obligations issued on the date on which the Bonds are issued, or any successor federal income tax statute or code.

“County” means King County, Washington.

“General Revenues” means all revenues of the Authority from any source (other than Loan Payments), but only to the extent that those revenues are available to pay debt service on the Bonds and are not now or hereafter pledged or restricted, by law, regulation, contract, covenant, resolution, deed of trust, or otherwise (including restrictions relating to funds made available to the Authority under the U.S. Housing Act of 1937), solely to another particular purpose.

“Indenture” means any Trust Indenture between the Authority and the Trustee relating to one or more series of Bonds, as originally executed or as it may from time to time be supplemented, modified or amended, including by any Supplemental Indenture thereto.

“Loan” means any loan to be made by the Authority to the Borrower of the proceeds of the Bonds, and other available funds of the Authority as authorized by Section 8.

“Loan Agreement” means any Loan Agreement by and between the Authority and the Borrower providing for, evidencing, and securing the obligation of the Borrower to repay a Loan, and including any supplements or amendments thereto including, without limitation, any Amendment to Loan Agreement.

“Loan Payments” means the payments of principal of and premium, if any, and interest on a Loan pursuant to a Loan Agreement allocable to payment of principal of and interest on one or more series of Bonds.

“Net Operating Income” shall have the meaning ascribed thereto in the applicable Indenture.

“Project” means, depending on the context, (1) the acquisition, rehabilitation, construction, and equipping of the multifamily housing complex known as Kirkland Heights located in the vicinity of 13310 NE 133rd Street, Kirkland, Washington, or (2) the Kirkland Heights multifamily housing complex so acquired, rehabilitated, constructed, and equipped.

“Promissory Note” means any promissory note to be made by the Borrower to the Authority to evidence a Loan.

“Regulatory Agreement” means a Regulatory Agreement by and between the Borrower and the Authority governing the use of the Project, including any supplements or amendments thereto.

“Supplemental Indenture” means any supplemental trust indenture between the Authority and the Trustee relating to one or more series of Bonds issued as additional bonds under an Indenture, as originally executed or as it may from time to time be supplemented, modified, or amended.

“Tax Agreement” means the Federal Tax Certificate and Agreement between the Authority and the Borrower, pertaining to one or more series of the Bonds, including any supplements or amendments thereto.

“Trustee” means the entity serving as trustee under an Indenture, initially The Bank of New York Mellon Trust Company, N.A.

“Underwriter” means KeyBanc Capital Markets Inc.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture(s).

Section 3. Authorization of Bonds and Application of Proceeds. The Authority shall issue one or more series of Bonds for the purpose of making one or more Loans to the Borrower to provide a portion of the funds required to finance costs of the Project (which may include, without limitation, reimbursements for past expenditures), and/or to refund or repay obligations of the Partnership incurred to finance costs of the Project, and, at the option of the Authority, to pay all or a portion of the costs of issuing the Bonds. All proceeds of the Bonds shall be lent to the Borrower for those purposes, and shall be deposited with the Trustee, all as provided in the applicable Indenture.

Section 4. Description of Bonds. The Bonds shall be designated the Housing Authority of the County of King Affordable Housing Revenue Bonds, Series 202[3/4] (Kirkland Heights Project). The Board has determined that it is in the best interest of the Authority to delegate to the Authorized Officers, and each of them acting alone, the authority to determine and approve the number of series of the Bonds, the final principal amounts, dates, interest rates, payment dates, maturity dates, and redemption provisions of the Bonds, and whether any series of the Bonds shall be issued on a taxable or tax-exempt basis (and, if so, the appropriate principal amounts of the taxable and tax-exempt series of the Bonds), and to adjust the title of each series of Bonds to reflect any series designation and the issuance of any series on a taxable or tax-exempt basis, as set forth in the applicable Indenture. The Authorized Officers, and each of them acting alone, are further authorized to designate any series of Bonds as “social bonds,” “green bonds,” or any

similar designation indicating the purpose for which the proceeds of such Bonds are to be used, and to adjust the title of such series of Bonds to reflect such designation, as set forth in an Indenture.

Bonds of different series may be issued simultaneously or from time to time, as determined by an Authorized Officer. One or more series of bonds may be issued under separate Indentures, or may be issued as additional bonds under an existing Indenture as described in a Supplemental Indenture.

The Bonds shall be issued in registered form; shall be in the aggregate principal amount of not to exceed \$130,000,000, shall be in authorized denominations of \$5,000 or any integral multiple thereof, and shall be dated such date, shall bear interest payable on such dates and at such rates, shall mature at such times and in such amounts, shall have such prepayment or redemption provisions and shall have such other provisions consistent with the terms of this resolution as shall be set forth in the applicable Indenture.

The execution of an Indenture or Supplemental Indenture by an Authorized Officer shall be conclusive evidence of the approval by the Authority of the terms set forth therein.

Section 5. Security for the Bonds. The Bonds shall be special obligations of the Authority payable solely from the Trust Estate pledged under the applicable Indenture. The Trust Estate pledged under each Indenture shall include (a) the rights, title and interest of the Authority in Loan Payments received pursuant to the applicable Loan Agreement (or, upon and after the Authority Acquisition Date, all Net Operating Income), (b) General Revenues of the Authority, subject to the parity lien of other obligations, as described herein and in the Indenture, (c) certain funds and accounts established under the Indenture and investment earnings thereon and money, securities and obligations therein (subject to disbursements from any such fund or account), (d) money and securities from time to time held by the Trustee under the Indenture (except money and securities in the Rebate Fund), and (e) to the extent not covered, all proceeds of all of the foregoing, all as set forth in the applicable Indenture.

The Bonds shall not be a debt of the County, the State or any political subdivision thereof, and the Bonds shall so state on their face. Neither the County, the State nor any political subdivision thereof (except the Authority, from the sources identified herein and in the applicable Indenture) shall be liable for payment of the Bonds nor in any event shall principal of, premium, if any, on and interest on the Bonds be payable out of any funds or assets other than those pledged to that purpose by the Authority herein and in the applicable Indenture. The Authority has no taxing power.

The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with the Bonds. The Authority may also pledge any specific revenues, which otherwise would be General Revenues, to the payment of other obligations, such payments to have priority over the payments to be made under the Bonds.

None of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bonds.

Section 6. Form and Execution of Bonds. The Bonds shall be in a form consistent with the provisions of this resolution, the applicable Indenture and state law, shall bear the manual or facsimile signatures of the Chair of the Board and Executive Director of the Authority, and shall be impressed with the seal of the Authority or shall bear a facsimile thereof.

The Bonds shall be authenticated by the Bond Registrar as set forth in the applicable Indenture. No Bond shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 7. Preservation of Tax Exemption for Interest on the Tax-Exempt Bonds. The Authority covenants that it will take all actions necessary to prevent interest on such portions of the Bonds issued as obligations the interest on which is excluded from gross income of the owners thereof for federal income tax purposes (the "Tax-Exempt Bonds") from being included in gross income for federal income tax purposes (except for any period during which such Tax-Exempt Bond is held by a "substantial user" of the Project or a "related person" within the meaning of Section 147(a)), and it will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Bonds or other funds treated as proceeds of the Tax-Exempt Bonds at any time during the term of the Tax-Exempt Bonds which would cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bonds, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Tax-Exempt Bonds, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal income tax purposes.

Section 8. Increase to Authority Loan. The Borrower may request that the amount of loan proceeds from the Authority exceed the amount of sale proceeds of the Bonds. If so requested, the Authority may lend an amount not to exceed two percent of the sale proceeds of the applicable series of Bonds from available Authority funds (in addition to Bond proceeds) to the Borrower under a Loan Agreement. Such additional loan financing is declared and determined to be important for the feasibility of the Project and is intended to be in addition to any loans to the Borrower authorized by separate resolutions of the Authority.

Section 9 Authorization of Bond and Loan Documents and Execution Thereof. The Board hereby delegates to the Authorized Officers, and each of them acting alone, the authority to negotiate and approve one or more Indentures and any Supplemental Indenture, one or more Loan Agreements and any Amendment to Loan Agreement, one or more Promissory Notes, one or more Authority Continuing Disclosure Agreements, one or more Regulatory Agreements and any amendment to an existing Regulatory Agreement entered into in connection with the issuance of a series of Bonds, one or more Tax Agreements, and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bonds, the sale of the Bonds, and the making of a Loan to the Borrower. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bonds, each Indenture, each Loan Agreement, each Authority Continuing

Disclosure Agreement, each Regulatory Agreement, each Tax Agreement, and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bonds and making of a Loan. The Authorized Officers, and each of them acting alone, are authorized and directed to do everything necessary for the issuance, execution, sale and delivery of the Bonds, including the “deeming final” of one or more preliminary official statements for the Bonds for the sole purpose of the Underwriter’s compliance with Securities and Exchange Commission Rule 15c2-12(b)(1); and to execute and deliver, on behalf of the Authority, each Indenture, Supplemental Indenture, Loan Agreement, Amendment to Loan Agreement, Regulatory Agreement and amendment thereto, Tax Agreement, and Authority Continuing Disclosure Agreement, and any other documents that may be useful or necessary in connection with the issuance and sale of any series of Bonds or the making of a Loan, and to ensure the proper use and application of the proceeds from the sale of the Bonds. The Authorized Officers, and each of them acting alone, are further authorized to approve and execute one or more official statements for the Bonds on behalf of the Authority (acting on its own behalf and/or as general partner of the Borrower). The execution of any instrument by an Authorized Officer shall be conclusive evidence that such instrument has been duly approved on behalf of the Authority by such Authorized Officer.

The delegation to the Authorized Officers set forth in this resolution shall include setting the final principal amount, maturity dates, principal and interest payment dates, redemption provisions, interest rates, and other terms for the Bonds; *provided* that (a) the aggregate principal amount of the Bonds does not exceed \$130,000,000, and (b) the final maturity of the Bonds does not exceed forty years from their date of issue.

Section 10. Authorization of Borrower Documents and Execution Thereof. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to negotiate, execute and deliver, on behalf of the Authority in its capacity as general partner of the Borrower, one or more Loan Agreements, Amendments to Loan Agreement, Promissory Notes, Regulatory Agreements and any amendment thereto, Borrower Continuing Disclosure Agreements, and Tax Agreements, and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bonds, the sale of the Bonds, and each Loan to the Borrower. The execution of any instrument by an Authorized Officer, in the Authority’s capacity as general partner of the Borrower, shall be conclusive evidence that such instrument has been duly approved on behalf of the Authority (in its capacity as general partner of the Borrower) by such Authorized Officer.

Section 11. Authorization of Purchase Contract. It is anticipated that the Underwriter will present one or more Bond Purchase Agreements to the Authority offering to purchase the Bonds under the terms and conditions provided herein and therein. The Board finds that entering into such Bond Purchase Agreement(s) is in the best interest of the Authority and the Borrower, and therefore authorizes the Authorized Officers, and each of them acting alone, to accept the offer contained in the Bond Purchase Agreement(s) and to execute each Bond Purchase Agreement on behalf of the Authority and the Borrower.

The Bonds will be prepared at the Authority’s expense and will be delivered to, or at the direction of, the purchaser thereof, with the approving legal opinion of Foster Garvey P.C. (or its successor), bond counsel of Seattle, Washington, regarding the Bonds.

The proper Authority officials are authorized and directed to do everything necessary for the prompt delivery of the Bonds to the purchaser thereof and for the proper application and use of the proceeds of the sale thereof.

Section 12. Acting Officers Authorized. Any action authorized by this resolution to be taken by the Chair of the Board, may in the Chair's absence be taken by a duly authorized acting Chair of the Board. Any action authorized by this resolution to be taken by the Executive Director of the Authority, may in the Executive Director's absence be taken by a duly authorized Deputy Executive Director of the Authority. Any action authorized by this resolution to be taken by a Deputy Executive Director, may in such Deputy Executive Director's absence be taken by a duly authorized acting Deputy Executive Director of the Authority.

Section 13. Ratification and Confirmation. Any actions of the Authority or its officers or employees prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 14. Changes to Titles or Parties; Omission of Documents. While the titles of and parties to the various 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. The Authorized Officers, and each of them acting alone, in their discretion, may omit any agreement described herein which is determined not to be necessary or desirable in connection with the issuance or sale of the Bonds.

Section 15. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf and/or in its capacity as general partner of the Borrower) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, applications, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; (iii) cause the Authority or the Borrower, as applicable, to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution; and (iv) notwithstanding any other Authority resolution, rule, policy, or procedure, 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 Officer's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 16. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority to fulfill the Authority's duties and obligations under this resolution, the Bonds, each Indenture, each Loan Agreement, each Regulatory Agreement, each Tax Agreement, each Authority Continuing Disclosure Agreement, each Borrower Continuing Disclosure Agreement, each Bond Purchase Agreement, and this resolution.

Section 17. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provision of this resolution or the Bonds.

Section 18. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.


ADOPTED AT A SPECIAL ANNUAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 22nd DAY OF MAY, 2023.

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



DOUGLAS J. BARNES, Chair
Board of Commissioners

ATTEST:



ROBIN WALLS
Executive Director/CEO and Secretary-
Treasurer

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. 5747 (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 May 22, 2023 (the "Meeting"), 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 (the "Notice") 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 Notice 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 Meeting;

4. That the Notice 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 the Meeting was duly convened, held, and included and opportunity for public comment, in all respects in accordance with law, and to the extent required by law, due and proper notice of the 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 22nd day of May, 2023.



Robin Walls, Secretary and Executive Director of the Authority

CERTIFICATE

APPENDIX I