

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5678

**A RESOLUTION AUTHORIZING ACQUISITION OF THE TRAILHEAD
TOD PROPERTY IN ISSAQUAH; AUTHORIZING THE DEVELOPMENT OF
THE SITE INTO MULTIFAMILY HOUSING INCLUDING NON-
RESIDENTIAL AND ANCILLARY FACILITIES; AND DETERMINING,
NEGOTIATING AND EXECUTING THE FORM, TERMS, COVENANTS,
CONTRACTS, LEASES, FINANCING APPLICATIONS AND AGREEMENTS,
AND OTHER ARRANGEMENTS NECESSARY TO CARRY OUT THE
PURPOSES OF THIS RESOLUTION**

WHEREAS, the King County Housing Authority (“Housing Authority”) is charged with providing quality affordable housing opportunities, equitably distributed within King County; and

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

WHEREAS, RCW 35.82.070 (2) and (3) provide, in part, that a housing authority shall have the power to prepare, carry out, acquire, lease and operate housing projects and may provide for construction, reconstruction, improvement, alteration or repair of any housing project within its area of operations; and

WHEREAS, the Housing Authority has identified acquiring and developing housing along planned mass transit corridors and areas with frequent high capacity transit as a strategic priority to ensure the long-term availability of low-income housing near reliable public transportation; and

WHEREAS, there is a growing loss of affordable housing within transit corridors and around light rail stations in King County; and

WHEREAS, access to reliable public transportation is a critical resource for low-income households, providing access to work, services, school, shopping, cultural and other activities for these residents; and

WHEREAS, RCW 35.82.120 directs that, in the planning and creation of any housing project, a housing authority shall take into consideration the relationship of the project to any larger

plan or long-range program for the development of the area in which the housing authority functions; and

WHEREAS, the Housing Authority and Spectrum Development Solutions LLC (“Spectrum”) jointly responded to a Request For Proposals issued by the City of Issaquah (“City”) for the construction of a mixed use, mixed income transit-oriented development (“TOD Development”) to be located at 1505 Newport Way NW, Issaquah, Washington (the “TOD Property”) , the northern portion of which is referred to as the “Trailhead Property and would be owned by the Housing Authority and the southern portion of which is referred to as the “Tibbetts Property” and would be owned by a Spectrum affiliate; and

WHEREAS, the Housing Authority and Spectrum were selected by the City to construct the TOD Development at the TOD Property; and

WHEREAS, the Tibbetts Property is suitable for development of a multi-story tower (“Tibbetts Building”) that will provide multifamily apartments and a new day care center, and the Trailhead Property is suitable for development of a separate multi-story tower (“Trailhead Building”) that will provide approximately 155 housing units for low and moderate income households, five additional units for people with developmental disabilities, and an opportunity center containing a medical and/or mental health facilities (“Opportunity Center”); and

WHEREAS, the TOD Property is located within a transit corridor and close to forthcoming light rail where rents are increasingly unaffordable to low-income households; and

WHEREAS, the TOD Property is currently owned and occupied by Qwest Corporation dba Lumen Technologies (“Lumen”) as a maintenance facility and Lumen has indicated a willingness to sell the TOD Property to the Housing Authority, provided the following conditions are met:

(i) Lumen is allowed to continue its operation of the maintenance facility under the terms of a lease with the Housing Authority for nominal rent until such time as a replacement facility is constructed and available for the relocation of Lumen’s operations;

(ii) Lumen is not required to pay, as part of the transaction, any costs of due diligence, moving or closing, including broker fees and excise tax, or the costs of adjusting the record boundary of the TOD Property to conform to the boundaries of historical use;

(iii) Lumen will have perpetual use of a cell tower and a communications hub located on the TOD Property (including as each may be relocated to facilitate construction of the TOD Development);

(iv) Lumen receives a deed to the Replacement Property (defined below) from the City and, before vacating the TOD Property, a custom-designed Replacement Facility (defined below) constructed by Spectrum; and

(v) Lumen receives at least \$12,000,000 in value as consideration for its sale of the TOD Property to KCHA, which consideration the parties anticipate will be paid largely, if not entirely, by way of payment or contribution of those items described in clauses (ii) through (iv) of this recital; and

WHEREAS, the City has identified City-owned property in Issaquah (“Replacement Property”) as a suitable site for development of a replacement facility (“Replacement Facility”) for Lumen’s maintenance facility on the TOD Property and is willing to sell the Replacement Property to Lumen in consideration of, and simultaneous with, the sale of the TOD Property to the Housing Authority, provided that the TOD Property includes space for the Opportunity Center; and

WHEREAS, Spectrum is willing to oversee construction of the Replacement Facility for Lumen, to oversee the development of the Trailhead Property and construction of the Trailhead Building for the Housing Authority, and to, directly or through one or more affiliates, purchase the Tibbetts Property in exchange for a proportional contribution of the purchase price of the TOD Property; and

WHEREAS, acquisition of the Trailhead Property and construction of the Trailhead Building as part of the larger TOD Development would serve the mission of the Housing Authority

and the housing goals of the region by increasing low income housing as part of the larger plan to support the housing needs of low-income persons throughout the County; and

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

Section 1: Acquisition of the TOD Property and construction of the Trailhead Building by the Housing Authority is necessary to provide housing for persons of low income that is equitably distributed in various areas of King County and particularly in areas of rising rents, planned mass transit corridors and high housing costs.

Section 2: The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, on behalf of the Housing Authority, to purchase the TOD Property and in connection therewith to enter into: 1) any and all contracts, agreements, certifications or other documents in each case containing such terms and conditions as are customary in such transactions and as are deemed by the Executive Director to be in the best interests of the Housing Authority, including without limitation, a purchase and sale agreement for the TOD Property, 2) an agreement to escrow all or a portion of the purchase price (including appropriate construction contingencies) for use toward the cost of constructing the Replacement Facility and relocating Lumen thereto, 3) a leaseback of the TOD Property to Lumen pending construction of the Replacement Facility and 4) one or more communication system easements or similar agreements with respect to the TOD Property.

Section 3: The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, on behalf of the Housing Authority, to develop the Trailhead Property, to construct the Trailhead Building, and to execute in connection therewith, any and all contracts, agreements, certifications or other documents, in each case containing such terms and conditions as are customary in such transactions and as are deemed by the Executive Director to be in the best

interests of the Housing Authority, including without limitation, a development agreement for the construction of the Trailhead Building and development of the Trailhead Property.

Section 4: The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, on behalf of the Housing Authority, to convey or dispose of a portion of the TOD Property in order to facilitate separate ownership within the TOD Property (e.g. the Tibbetts Property), in exchange for a proportionate contribution of the purchase price of the TOD Property and to execute in connection therewith any and all contracts, agreements, certifications or other documents, in each case containing such terms and conditions as are customary in such transactions and as are deemed by the Executive Director to be in the best interests of the Housing Authority, including without limitation, condominium or other documents.

Section 5: The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, on behalf of the Housing Authority, to permit the City or its assigns to acquire and/or operate the Opportunity Center and to execute in connection therewith any and all contracts, agreements, certifications or other documents, in each case containing such terms and conditions as are customary in such transactions and as are deemed by the Executive Director to be in the best interests of the Housing Authority, including without limitation, condominium, lease, or other documents necessary to facilitate separate ownership and/or operation of the Opportunity Center from the remainder of the Trailhead Property.

Section 6: The Board of Commissioners hereby authorizes the Executive Director to execute any and all applications, agreements, certifications or other documents in connection with the submission of various funding and financing applications, in order to provide all or part of the interim financing of the acquisition of the TOD Property, and interim and/or permanent financing for acquisition and development of the Trailhead Property and construction of the Trailhead Building pursuant to this Resolution.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS
15TH DAY OF MARCH, 2021.

THE HOUSING AUTHORITY OF THE
COUNTY OF KING



DOUGLAS J. BARNES, Chair
Board of Commissioners

Attest:



STEPHEN J. NORMAN
Executive Director and Secretary-Treasurer

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director and Secretary-Treasurer 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. 5679 (the "Resolution") is a 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 March 15, 2021 (the "Meeting"), and duly recorded in the minute books of the Authority;

2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) the Meeting was not conducted in person, (b) one or more options were provided for the public to attend the Meeting remotely, including by telephone access, which mean(s) of access provided the ability for all persons attending the Meeting remotely to hear each other at the same time, and (c) adoption of the Resolution is necessary and routine action of the Board of Commissioners of the Authority;

3. The public was notified of access options for remote participation in the Meeting via the Authority's website and email to stakeholders; and

4. The Meeting was duly convened and held 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 through telephonic and/or internet means of remote access, 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 15th day of March 2021.



Stephen J. Norman
Secretary-Treasurer and Executive Director of the
Authority