

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5423

A RESOLUTION of the Housing Authority of the County of King to authorize the Housing Authority to provide such financial assurances to the U.S. Department of Housing and Urban Development as are reasonably necessary to induce HUD to advance its \$8,279,800 Section 202 capital grant to the Providence Joseph House project prior to July 1, 2013.

ADOPTED February 25, 2013

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WHEREAS, pursuant to Resolution No. 5246 adopted October 7, 2009, the Housing Authority of the County of King (the "Authority") authorized, among other things (i) Authority participation in the submission of an application for HUD Section 202 Financing Supportive Housing for the Elderly Program ("HUD 202 Financing") for the Chinook senior housing component (now known as Providence Joseph House) of the Park Lake Homes Site II, HOPE VI redevelopment project (now known as Seola Gardens); (ii) the negotiation and execution of a lease agreement with respect to the land for such senior housing between the Authority and Providence Health & Services Washington, a Washington nonprofit corporation or an affiliated limited liability company or limited partnership (in either case also encompassed by the term "Providence"); and (iii) the negotiation of the terms of a loan from the Authority to Providence, pursuant to which the Authority would lend to Providence an amount equal to at least 25% of the amount of the HUD 202 Financing to provide financing for the senior housing component (now known as Providence Joseph House) (the "Project") of the Seola Gardens redevelopment project to meet the requirements for HUD 202 Financing; and

WHEREAS, the Project is comprised of a single residential unit (the "Residential Unit") in a two-unit condominium development created April 25, 2011; and

WHEREAS, the Authority entered into a lease agreement with Providence on May 2, 2011 ("Lease") to lease from the Authority the Project; and

WHEREAS, the Authority constructed the Residential Unit, and provided construction financing for the Residential Unit, and Providence Joseph House LLLP, a Washington limited liability limited partnership and an affiliate of Providence (the "Partnership"), has taken possession of the Residential Unit, and is in the process of reimbursing the Authority for construction expenses relating to the Project pursuant to the Lease; and

WHEREAS, Providence received a firm commitment from HUD on April 8, 2011 specifying that, upon completion of the Project and satisfaction of certain conditions, HUD would grant to Providence Eight Million Two Hundred Ninety-Seven Thousand Eight Hundred Dollars (\$8,297,800) (the "HUD Grant"), which grant is a source of a portion of the payment of Providence to the Authority for the Lease; and

WHEREAS, HUD previously stated that it would not fund the HUD Grant prior to July 1, 2014, which is the earliest date the private equity investor is obligated to make its final equity contribution of approximately Ten Million Nine Hundred Twenty-Six Thousand Five Hundred Fifty-Nine Dollars (\$10,926,559) ("Equity Investment") to Providence, unless HUD receives assurances that money will be available for the Project if the Equity Investment is not paid; and

WHEREAS, the HUD Grant is a source of money that will be used to retire the Authority's construction loan and reimburse the Authority for Project expenses; and

WHEREAS, by advancing the date the HUD Grant is received to March 2013 from July 1, 2013, the Authority can reduce its bridge loan interest costs, and minimize the risk of delays in the equity contribution by the investor (and subsequent payments to the Authority); NOW, THEREFORE,

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

Section 1. Authority Guarantee The Executive Director is authorized to take any and all actions and to issue such written instruments as will induce HUD to release to Providence the HUD Grant in advance of the receipt of the Equity Investment.

Section 2. 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 3. 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 4. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

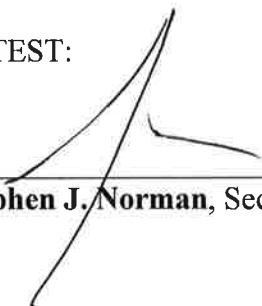
ADOPTED at a special meeting of the Board of Commissioners of the Housing Authority of the County of King this 25<sup>th</sup> day of February, 2013.

**HOUSING AUTHORITY  
OF THE COUNTY OF KING**



**Doug Barnes, Chair  
Board of Commissioners**

ATTEST:

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**Stephen J. Norman, Secretary**