

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5447

*(Limited Partnership Exit Resolution –
Rural Housing Preservation, Heritage Park, Colonial Gardens, Alpine Ridge)*

A RESOLUTION of the Housing Authority of the County of King (the “Authority”) authorizing (i) the transfer of certain housing projects (the “Projects”) to the Authority through the acquisition of the leasehold interest of limited partnerships (the “Partnerships”) in the Projects by the Authority and/or the acquisition of the interests of the limited partners of the Partnerships by the Authority; (ii) the submission to the Washington State Housing Finance Commission of a request for consent to transfer the Projects; (iii) the assignment and assumption by the Authority of the obligations of the Partnerships with respect to the Projects and bonds issued to finance the Projects; and (v) the approval, execution and delivery of all documents necessary to effectuate the foregoing; and determining related matters.

WHEREAS, the Housing Authority of the County of King (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington; and

WHEREAS, RCW 35.82.070(2) provides that a housing authority may, among other things, “prepare, carry out, acquire, lease and operate housing projects; . . .” and

WHEREAS, RCW 35.82.020 defines “housing project” 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;” and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, and if certain conditions are met, “own, hold, and improve real or personal property” and “sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;” and

WHEREAS, RCW 35.82.080(1) provides that a housing authority may, among other things, “make and execute contracts and other instruments, . . . necessary or convenient to the exercise of the powers of the authority;” and

WHEREAS, the Authority is the fee owner of certain housing projects described below (collectively, the “Projects”), each of which is leased to a Washington limited partnership (collectively, the “Partnerships”) of which the Authority is the general partner, and each of which was financed in part with low income housing tax credits (“LIHTC”) and revenue bonds issued by the Authority (collectively, the “Bonds”), as further described below:

Property	Address	Units	Partnership	Bond Issue
Rainier View I Apartments	2745 Warner Avenue W, Enumclaw, WA	48	KCHA-Rural Housing Preservation Limited Partnership	Housing Revenue Bonds, 1997 (Rural Preservation Project)
Rainier View II Apartments	2649 Warner Avenue W, Enumclaw, WA	36	KCHA-Rural Housing Preservation Limited Partnership	Housing Revenue Bonds, 1997 (Rural Preservation Project)
Si View Apartments	404 Healy Avenue S, North Bend, WA	20	KCHA-Rural Housing Preservation Limited Partnership	Housing Revenue Bonds, 1997 (Rural Preservation Project)
Heritage Park Apartments	9834 NE 190 th Street, Bothell, WA	77	KCHA-Heritage Park Limited Partnership	Housing Revenue Bonds, 1998 (Heritage Park Apartments Project)
Colonial Gardens Apartments	15001 15 th Avenue NE, Shoreline, WA	72	KCHA-Colonial Gardens Limited Partnership	Housing Revenue Bonds, 1999 (Colonial Gardens Apartments Project)
Alpine Ridge Apartments	14460 Simonds Road NE, Kirkland, WA	42	KCHA-Alpine Ridge Limited Partnership	Housing Revenue Bonds, 1999 (Alpine Ridge Apartments Project)

WHEREAS, each Project has been operating as “qualified low income housing” pursuant to Section 42 of the Internal Revenue Service Code (“Code”) and, as such, the

applicable Partnership has been receiving LIHTC during the 15-year compliance period pursuant to the Code (“Compliance Period”); and

WHEREAS, the Compliance Period for each of the Projects has or will soon expire; and

WHEREAS, the Authority desires to own the Projects and continue their operation as affordable low income housing projects; and

WHEREAS, the Authority has determined that the limited partner of each of the Partnerships (collectively, the “Limited Partners”) has or will soon have received all of the tax and other economic benefits originally anticipated by such Limited Partner; each Limited Partner is expected to be willing to transfer its interest in the applicable Partnership (the “Limited Partnership Interests”) to the Authority; and it is in the best interest of the Authority to acquire such Limited Partnership Interests and/or to acquire the applicable Partnership’s leasehold interest in the Projects; and

WHEREAS, the Authority, in its own capacity and as general partner of the Partnerships, desires to take such steps as are reasonably necessary to acquire the leasehold interest of the Partnership in the Project and/or to acquire the Limited Partnership Interests, in either case for consideration of the assumption of the debt encumbering the Project, including the applicable series of Bonds (the “Debt”); and

WHEREAS, the Authority, in its own capacity and as general partner of the Partnerships, desires to take such steps as are reasonably necessary to obtain consents necessary to effect the Authority’s assumption of the Debt, and to negotiate, execute and deliver such documents as may be required in connection with the foregoing, including, without limitation, any loan assumption documents; and

WHEREAS, the Washington State Housing Finance Commission (“Commission”) must approve the transfer of the Projects from the Partnership 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. Approval of Transfer of Leasehold Interests and/or Limited Partnership Interests. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the transfer of the leasehold interest in each of the Projects from the applicable Partnership to the Authority or, in the alternative, to acquire the Limited Partnership Interests with respect to the applicable Partnership, and to negotiate, execute, and deliver such documents as may be reasonably required to effectuate such transfer.

Section 2. Authorization of Assignment and Assumption. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to take such steps as may be necessary or desirable for (1) the Authority to assume all of the Partnerships’ obligations with respect to the Debt, including, without limitation, each Partnership’s obligations under applicable loan and regulatory agreements, financing leases, deeds of trust, hazardous substances agreements, continuing disclosure agreements, and any other document executed in connection with the applicable series of Bonds (collectively, the “Bond Documents”); and (2) each Partnership to assign to the Authority all of its rights and obligations under the applicable Bond Documents. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to take such steps as may be necessary or desirable to obtain consent of the lenders of the Debt, trustees for the Bonds, or other necessary parties, and to negotiate, execute and deliver such documents as may

be required such parties in connection with the foregoing, including, without limitation, any loan assumption documents.

Section 3. Lease and Bond Document Amendments. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to make any amendments to any financing lease or the other Bond Documents as may be necessary or desirable in connection with the transactions contemplated by this resolution.

Section 4. Commission Approval. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to take such steps as may be necessary to obtain the Commission's approval of the transfer of the Projects from the applicable Partnership to the Authority, and to negotiate, execute and deliver such documents as may be required by the Commission in connection with the foregoing, including, without limitation, submitting a request to the Commission for the Commission's consent to transfer the Project from the Partnership to the Authority, and paying any transfer fee required by the Commission.

Section 5. Documents to be Executed by Executive Director. Any and all documents contemplated by this resolution which are authorized to be executed by or on behalf of the Authority, in its own capacity or as general partner of a Partnership, are authorized to be executed by the Executive Director of the Authority.

Section 6. Governmental Filings; Other Agreements. The Executive Director is further authorized to execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority, in its own capacity and as general partner of the Partnerships, any government forms, affidavits, certificates, letters, documents, agreements and instruments that he determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 7. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person be taken by a Deputy Executive Director of the Authority.

Section 8. Expenditures. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to make any reasonable expenditures, including, but not limited to, attorney's fees and costs necessary or required in conjunction with actions authorized by this resolution.

Section 9. 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 10. 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 an open public meeting this 21st day of October, 2013.

HOUSING AUTHORITY OF THE COUNTY OF KING


By: Douglas J. Barnes Chair
Board of Commissioners

ATTEST:


Stephen J. Norman, Secretary