

**THE HOUSING AUTHORITY OF THE COUNTY OF KING**

**RESOLUTION NO. 5450**

**A RESOLUTION AUTHORIZING ACQUISITION OF THE GILMAN SQUARE APARTMENTS BY CONDEMNATION OR BY PURCHASE IN LIEU THEREOF**

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**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 RCW 35.82.070(5), authorizes a housing authority to acquire real property by exercise of the power of eminent domain; and

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

**WHEREAS**, The Gilman Square Apartments (the "Property") comprise 125 units of housing located at 360 NW Dogwood Street, in Issaquah, Washington, in an area of King County where rents are increasingly unaffordable to low-income households; and

**WHEREAS**, the Gilman Square Apartments project was subject to a low-income housing covenant imposed by the Washington State Housing Financing Commission restricting 20% of the Property to very-low-income households, and

**WHEREAS**, the aforementioned covenant expired in January, 2013, and rent increases on vacated apartments since that time have averaged 22 percent; and

**WHEREAS**, the lack of a restrictive covenant to provide housing for low-income households will result in the loss of a significant number of housing units available to persons of low income in the community; and

**WHEREAS**, a significant number of the very low-income residents who moved in prior to the expiration of the affordability covenant and currently reside at the Property may be displaced if the current owners of the Property sell it in the open market; and

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

**WHEREAS**, the Housing Authority has received a professional appraisal of the Property indicating that it has a fair market value of \$22,650,000 (the “Appraised Value”); and

**WHEREAS**, acquisition of the Gilman Square Apartments by the King County Housing Authority will serve the mission of the Housing Authority and the housing goals of the region through an approach that is considerably less expensive than constructing the same number of new units.

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

**Section 1:** Acquisition of the Gilman Square Apartments by the King County Housing Authority is necessary to preserve and provide housing for persons of low income equitably distributed in various areas of its operations, and in areas of high housing market costs in particular.

**Section 2:** The Board of Commissions hereby authorizes the Executive Director to acquire the Gilman Square Apartments by condemnation through exercise of the

Housing Authority's power of eminent domain if it is unsuccessful in acquiring the property on satisfactory terms through negotiation with and purchase from the owner in lieu of condemnation for a price not exceed \$23,000,000.00 (approximately 101.5% of the Appraised Value).

**Section 3:** The Executive Director is hereby vested with the authority, and with discretion in the exercise thereof, to make a final determination after reviewing the results of inspection of the Property as to whether to proceed with commencement of formal condemnation procedures or negotiations in lieu thereof to purchase the Property, if he deems it in the best interest of the Housing Authority and the region's housing goals to do so, and the Executive Director shall certify to the Board of Commissioners in writing the final determination he has made.

**Section 4:** The Board of Commissioners hereby elects pursuant to RCW 8.26.010(2) not to comply with the provisions of RCW 8.26.035 through RCW 8.26.115 in connection with the acquisition of the Gilman Square Apartments property because no existing occupants of the Property will be displaced by reason of the acquisition.

**Section 5:** The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, 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 and/or permanent financing of the Property.

**Section 6:** The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, and in his absence, Deputy Director Daniel R. Watson or Deputy Executive Director Constance C. Davis, to execute any and all contracts,

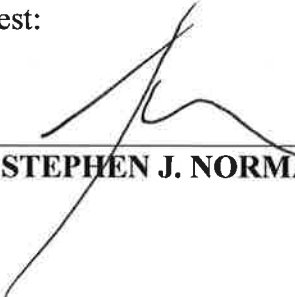
agreements, certifications or other documents in connection with the acquisition of Gilman Square Apartments.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 18th DAY OF NOVEMBER, 2013.**

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

  
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**DOUGLAS J. BARNES, Chair**

Attest:

  
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**STEPHEN J. NORMAN, Secretary**