

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5477

A RESOLUTION of the Housing Authority of the County of King authorizing the Executive Director to approve, execute and deliver all documents relating to the Vantage Point rental housing project including but not limited to Limited Liability Company Documents, Line of Credit Documents, Housing Authority Loan Documents and HUD Documents.

ADOPTED July 21, 2014

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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(5) provides that a housing authority may, among other things and if certain conditions are met, "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project"; 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(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing for persons of low income"; and

WHEREAS, the Authority is the fee owner of certain real property located at 17901 105th Avenue PI SE, Renton, Washington (the "Property"), upon which the Authority desires to develop Vantage Point Apartments, a 77-unit new construction senior/disabled public housing apartment community (the "Project"); and

WHEREAS, in furtherance of the Project and pursuant to Resolution No. 5415 adopted by the Board of Commissioners of the Authority on December 17, 2012 and Resolution No. 5454, adopted by the Board of Commissioners of the Authority on December 16, 2013, the Authority was authorized to i) provide up to \$2,000,000 in Moving to Work Working Capital Reserves for the purpose of providing predevelopment, equity and loan financing for the Project; ii) submit financing applications to the King County Housing Finance Program, the State of Washington Housing Trust Fund and the Washington State Housing Finance Commission; iii) create the Vantage Point Apartments LLC, a Washington limited liability company (the “Company”); and iv) execute such documents as were necessary to obtain the low income housing tax credits and King County Housing Finance Program funds; and

WHEREAS, in furtherance of the Project and pursuant to Resolution No. 5461 adopted by the Board of Commissioners of the Authority on March 17, 2014 the Authority was authorized to i) negotiate the terms of an Amended and Restated Operating Agreement (the “Operating Agreement”) under which the Authority will be the sole managing member and entities affiliated with RBC Capital Markets (“RBC”) will be the investor member(s) on the terms and conditions approved by the Executive Director; ii) undertake all necessary and appropriate actions in connection with the structuring of financing for the Project and the design and development of the improvements to be constructed in connection with the Project; and iii) execute such ancillary documents and expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs in furtherance of the activities authorized by the resolution; and

WHEREAS, in furtherance of the Project and pursuant to Resolution No. 5470 adopted by the Board of Commissioners of the Authority on May 19, 2014 the Authority was authorized to

i) enter into a First Amended and Restated Operating Agreement admitting RBC as an investor member in the Company and ii) to enter into a Lease Agreement pursuant to which the Authority would lease the Property and the Project to the Company in consideration for a capitalized lease payment in the total principal amount of approximately One Million Six Hundred Thirty Thousand and No/ 100 Dollars (\$1,630,000.00), of which One Hundred Sixty Thousand Three Thousand and No/100 Dollars (\$163,000.00) was paid to KCHA upon execution of the Lease Agreement; and iv) enter into a Development Agreement pursuant to which the Authority will serve as the developer of the Project; and v) enter into an Assignment and Reimbursement Agreement pursuant to which the Authority will assign predevelopment work product to the Company and the Company will reimburse the Authority for the costs certain expenditures incurred by the Authority in securing the work product; and

WHEREAS, total financing for the Project will be in the approximate amount of \$27,500,000 which will include i) a construction bridge loan in the amount of up to \$20,500,000 (the "Bridge Loan") provided by the Authority to the Company; ii) a term loan from the Authority in the amount of \$2,000,000 from the proceeds of an award to the Authority in the amount of \$2,000,000 from the King County Housing Finance Program (the "King County Loan"); and iii) up to \$10,100,000 to be arranged for or provided by the Authority as a loan or loans to the Company (the "Authority Loan"). The Bridge Loan, King County Loan and Authority Loan are collectively referred to as the "Housing Authority Loans"; and iv) tax credit equity from RBC in the approximate amount of \$15,400,000; and

WHEREAS, the Authority intends to make the Bridge Loan from the proceeds of a taxable Line of Credit extended by the Bank in a principal amount of not to exceed \$20,500,000 and a term of not more than thirty six (36) months (the “Line of Credit”) made to the Authority from Bank of America or an affiliate thereof (the “Bank”); and

WHEREAS, the Authority has determined that the financing authorized herein is important for the feasibility of the Project; and

WHEREAS, the Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable to obtain the various funding sources on behalf of the Project described above and to make such funds available to the Company;

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 Company Documents. The Executive Director is authorized, empowered and directed, on behalf of the Authority, to negotiate the terms of and enter into a Second Amended and Restated Operating Agreement with RBC - Vantage Point, LLC, a Delaware limited liability company as the investor member (the “Investor Member”) and RBC Tax Credit Manager II, Inc., a Delaware limited liability company as the special member (the “Special Member”) in accordance with the general terms and conditions of the letter of intent entered into between the Authority and RBC dated April 11, 2014. In particular, the Authority’s Executive Director is authorized empowered and directed to execute and deliver on behalf of the Authority on its own behalf or in its capacity as managing member of the Company those documents reasonably required by RBC with respect to its admission into the Company, including but not limited to the Second Amended and Restated Operating Agreement, Pledge and Security Agreement, Company Management Agreement, Asset Management Agreement, Purchase Option and Right of First

Refusal, Tax Credit Certification, Guaranties any other documents reasonably required to be executed by the Authority or the Company to carry out the transactions contemplated by the Company Documents. The Executive Director of the Authority is further authorized and directed to take any other action and to execute such other documents as may be required to: i) commence construction of the Project and ii) as otherwise may be required to be taken or executed by the Authority, on behalf of itself or as managing member of the Company, under the provisions of or as necessary to admit the Investor Member and the Special Member into the Company as approved by the Executive Director.

From and after the date of the admission of the Investor Member and Special Member into the Company, the Executive Director is authorized and directed, without further Board approval, to take such actions on behalf of the Authority that are required to be taken by the managing member of the Company.

Section 2. Approval of Bank of America Line of Credit. The Executive Director is further authorized, empowered and directed to take all actions required of the Authority to apply for and obtain the Line of Credit. In furtherance of applying for and obtaining the Line of Credit, the Executive Director , on behalf of the Authority is authorized, empowered and directed to execute and deliver such documents as may be required by the Bank including but not limited to a proposal letter from the Bank, a note, a general revenue pledge and such other documents as may be deemed reasonable by the Executive Director with respect to the obtaining and closing the Line of Credit. The Executive Director of the Authority is further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, under the provisions of or as necessary with respect to the Line of Credit.

Section 3. Approval of Housing Authority Loan Documents. The Executive Director is further authorized, empowered and directed to take all actions required of the Authority in connection with the Housing Authority Loans. In particular, the Authority's Executive Director is authorized empowered and directed to execute and deliver on behalf of the Authority on its own behalf as lender or in its capacity as managing member of the Company those documents reasonably required to close on the Housing Authority Loans including but not limited to such loan agreements, financing agreements, notes, leasehold deeds of trust, regulatory agreements and such other documents as may be deemed reasonable by the Executive Director with respect to the Housing Authority Loans. The Executive Director of the Authority is further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as managing member of the Company, under the provisions of or as necessary with respect to the Housing Authority Loans.

Section 4. Approval of HUD Documents. The Executive Director is further authorized, empowered and directed to execute and deliver, on behalf of the Authority in its own behalf or in its capacity as managing member of the Company, as applicable those documents reasonably required to obtain 77 units of public housing subsidy from HUD and (ii) any other documents reasonably required to be executed by the Authority or the Company to carry out the transactions contemplated by the HUD Documents.

Section 5. 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 and/or the Company, any government forms, affidavits, certificates, letters, documents, agreements and instruments that either such officer determines to be necessary or advisable to give effect to this resolution and to consummate the

transactions contemplated herein.

Section 6. Expenditures. The Authority is authorized 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.


Section 7. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or a Deputy Executive Director of the Authority, respectively.

Section 8. 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.

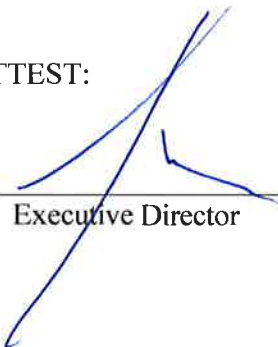
Section 9. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 21st day of July, 2014.

HOUSING AUTHORITY OF THE COUNTY OF KING

By:   
Chair

ATTEST:

  
Executive Director



## 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 Resolution No. 5477 (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners (the "Board") of the Authority, as adopted at a special meeting of the Authority held on July 21, 2014, 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 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 written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's office at 600 Andover Park W., Tukwila, Washington 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above 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 such 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 such 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 21<sup>st</sup> day of July, 2014.



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Executive Director of the Authority

CERTIFICATE

# APPENDIX I



## **SPECIAL MEETING OF THE BOARD OF COMMISSIONERS**

**July 21, 2014, 8:30 am**

Joe Thomas Community Room - Wiley Center  
9800 8<sup>th</sup> Avenue SW  
Seattle, WA 98106

### **A G E N D A**

- I. Call to Order**
- II. Roll Call**
- III. Public Comment**
- IV. Approval of Minutes** - Board Meeting Minutes from June 16, 2014 **1**
- V. Approval of Agenda**
- VI. Consent Agenda**
  - A. Voucher Certification Report for May 2014 (General and Bond Properties) **2**
  - B. Resolution No. 5474: Authorizing the Transfer of Windsor Heights Project to the Authority Through the Acquisition of the Leasehold Interest of KCHA-Seatac Limited Partnership And/Or the Acquisition of the Interests of the Limited Partner of the Partnership by the Authority, the Assignment and Assumption by the Authority of the Obligations of the Partnership with Respect to the Project and Bonds Issued to Finance the Project, and Determining Related Matters **3**
  - C. Resolution No. 5475: Joint Interlocal Agreement for Research Services with Tacoma, Portland and Seattle Housing Authorities **4**
- VII. Resolutions for Discussion and Possible Action**
  - A. Resolution No. 5476: Authorizing the Disposition of Greenbridge West Bulk Parcel 3 by Negotiated Sale to BDR Homes, LLC **5**
  - B. Resolution No. 5477: Authorizing the Executive Director of the Housing Authority of the County of King to Approve, Execute and Deliver all Documents relating to the Vantage Point Rental Housing Project, including but not limited to Limited Liability Company Documents, Line of Credit Documents, Housing Authority Loan Documents and HUD Documents **6**

**VIII. Briefings & Reports**

- A. New Bank Accounts 7
- B. Second Quarter Write-Offs 8
- C. Quarterly Procurement Report 9
- D. Risk Management and Insurance Presentation 10
- E. Executive Director's Report

**IX. Executive Session**

- A. To review the performance of a public employee per RCW 42.30110(g)

**X. Commissioner Comments**

**XI. Recess for Moving King County Forward (MKCRF) Board Meeting**

**XII. Reconvene at Conclusion of Moving King County Forward Board Meeting**

**XIII. Tour of BDR building site (803 SW 96<sup>th</sup> Place, Seattle, WA 98106) and West Bulk Parcel 3 (Intersection of 10<sup>th</sup> Ave SW and SW 97<sup>th</sup> Place, Seattle, WA 98106)**

**XIV. Adjournment**

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator, Jessica Olives, in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1194 prior to the meeting date.

Next Regular Board Meeting Date:  
Monday, August 18, 2014

Amended July 17, 2014