

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5515

(Project Transfer Resolution – Village at Overlake Station)

A RESOLUTION of the Housing Authority of the County of King (the “Authority”) authorizing (i) the transfer of Village at Overlake Station project (the “Project”) to the Authority through the acquisition of the subleasehold interest of limited partnership (the “Partnership”) in the Premises (as hereinafter defined) by the Authority and/or the acquisition of the interests of the limited partner of the Partnership by the Authority; (ii) the submission to the Washington State Housing Finance Commission of a request for consent to transfer the Project; (iii) 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; (iv) the approval, execution and delivery of all documents necessary to effectuate the foregoing; and (v) 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, RCW 35.82.040 authorizes the Authority to “delegate to one or more of its agents or employees such powers or duties as it may deem proper”; and

WHEREAS, the Authority is the general partner of Overlake TOD Housing Limited Partnership, a Washington limited partnership (the “Partnership”), and Columbia Housing/PNC Institutional Fund V Limited Partnership, a Delaware limited partnership (“Investment Limited Partner”), and Columbia Housing SLP Corporation, an Oregon corporation (“Special Limited Partner,” together with Investment Limited Partner, the “Limited Partner”) is the limited partner; and

WHEREAS, King County (the “County”) is the fee owner of the real property located at 2580 152nd Avenue N.E., Redmond, Washington (the “Property”), and pursuant to the terms of that certain Ground Lease between the County and the Authority dated as of July 17, 2000 (the “Lease”), the Authority has a long-term leasehold interest in the Property and that certain 308-unit multi-family apartment complex located on the Property now commonly known as Village at Overlake Station (the “Project,” and together with the Property, the “Premises”); and

WHEREAS, the Authority entered into that certain Sublease Agreement with the Partnership dated July 7, 2000 (the “Sublease”), thereby subleasing the Premises to the Partnership with the intent that the Partnership would be treated as the owner of the Premises for federal income tax purposes and that the full burdens and benefits

associated with the Premises would pass to the Partnership during the term of the Sublease; and

WHEREAS, the Project was financed in part with low income housing tax credits (“LIHTC”) and proceeds of the Authority’s Variable Rate Demand Revenue Bonds, 2000 (Overlake TOD Project) and Variable Rate Demand Revenue Bonds, 2000, Series B (Overlake TOD Project) (together, the “Bonds”); and

WHEREAS, the Project has been operating as “qualified low income housing” pursuant to Section 42 of the Internal Revenue Service Code (“Code”) and, as such, the Partnership has been receiving accelerated LIHTC during the compliance period pursuant to the Code (“Compliance Period”); and

WHEREAS, the Compliance Period for the Project has or will soon expire; and

WHEREAS, the Authority desires to own the Project and continue its operation as affordable low income housing; and

WHEREAS, the Authority has determined that the Limited Partner is willing to transfer its interest in the 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 Partnership’s subleasehold interest in the Premises, resulting in a transfer of the Project to the Authority; and

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

WHEREAS, the Authority, in its own capacity and as general partner of the Partnership, 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 Premises 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; THAT:

Section 1. Approval of Transfer of Subleasehold Interest and/or Limited Partnership Interests. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the transfer of the subleasehold interest in the Premises from the Partnership to the Authority, resulting in a transfer of the Project to the Authority, or, in the alternative, to acquire the Limited Partnership Interests with respect to the 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 Partnership, is authorized, empowered and directed to take such steps as may be necessary or desirable for (1) the Authority to assume all of the Partnership's obligations with respect to the Debt, including, without

limitation, the Partnership's obligations under any financing lease, hazardous substances agreement, continuing disclosure agreement, loan agreement, and any other document executed in connection with the applicable series of Bonds (the "Bond Documents"); and (2) the Partnership to assign to the Authority all of its rights and obligations under the Bond Documents. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps as may be necessary or desirable to obtain consent of the lenders of the Debt, the trustee for the Bonds, King County, Washington, as a provider of credit enhancement for the Bonds, or other necessary parties, and to negotiate, execute and deliver such documents as may be required of 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 Partnership, is authorized, empowered and directed to make any amendments to the Lease and Sublease or the other Bond Documents as may be necessary or desirable in connection with the transaction contemplated by this resolution.

Section 4. Commission Approval. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps as may be necessary to obtain the Commission's approval of the transfer of the Project from the 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 Partnership, 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 transaction 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 Partnership, 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.

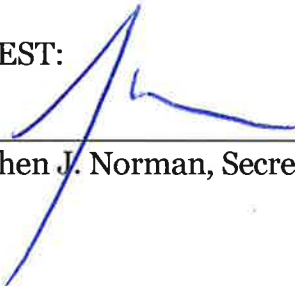
Section 10. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 16th day of November, 2015.

HOUSING AUTHORITY
OF THE COUNTY OF KING


By: Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:



Stephen J. Norman, Secretary