

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5534

(Project Transfer Resolution - Harrison House)

A RESOLUTION of the Housing Authority of the County of King (the "Authority") authorizing (i) the transfer of the Harrison House project (the "Project") to 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 Harrison House Apartments LLC, a Washington limited liability company (the "Company"), under the Financing Lease pertaining to the Harrison House project; (iv) the subsequent termination of the leasehold interest of the Company in the Project; (v) the assumption of the other obligations and liabilities of the Company with respect to the Project, including without limitation the Housing Assistance Payments Contract ("HAP Contract"); (vi) the acquisition of the investor member interest in the Company by the Authority and subsequent dissolution of the Company; and (vii) the Executive Director to approve, execute and deliver all documents necessary to effectuate the foregoing.

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 managing member (the “Managing Member”) of Harrison House Apartments LLC, a Washington limited liability company (the “Company”), and NEF Assignment Corporation, an Illinois not-for-profit corporation, is the investor member of the Company (“Investor-Member”); and

WHEREAS, the Authority is the fee owner of the real property located at 615 West Harrison Street, Kent, King County, Washington (the “Property”), and pursuant to the terms of a Financing Lease between the Authority and the LLC dated as of May 27, 2004 (the “Lease”), the Company has a leasehold interest in that certain 94-unit senior low-income apartment complex located on the Property commonly known as Harrison House (the “Project”); and

WHEREAS, the Project was financed in part with low income housing tax credits (“LIHTC”); 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 Company has been receiving LIHTC during the compliance period pursuant to the Code (“Compliance Period”); and

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

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

WHEREAS, the Authority has determined that the Investor Member is willing to transfer its interest in the Company (the “Investor Member Interests”) to the Authority and it is in

the best interest of the Authority to acquire such Investor Member Interests and/or to acquire the Company's leasehold interest in the Project; and

WHEREAS, the Authority, in its own capacity and as managing member of the Company, desires to take such steps as are reasonably necessary to acquire the leasehold interest of the Company in the Project, or in the alternative, to acquire the Investor Member Interests, for sole consideration of the assumption of the debt encumbering the Project(the "Debt"); and

WHEREAS, the Authority, in its own capacity and as managing member of the Company, 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 Authority, in its own capacity and as managing member of the Company, desires to take such steps as are reasonably necessary to obtain consent of the Authority, in its capacity as a public housing authority (the "PHA"), to the Authority's assumption of the Company's interest in the Housing Assistance Payments Contract No. 2005-LP-0001("HAP Contract"), and to negotiate, execute and deliver such documents as may be required by the PHA in connection with the foregoing; and

WHEREAS, the Washington State Housing Finance Commission ("Commission") must approve the transfer of the Project from the Company to the Authority; and

WHEREAS, the Authority, in its own capacity and as managing member of the Company desires to take such steps as are reasonably necessary to acquire the Investor Member Interests and cause the dissolution of the Company upon transfer of the Project to the Authority; and

WHEREAS, the Authority, in its own capacity and as managing member of the Company desires to take such steps, make such reasonable expenditures, including, but not limited to attorney's fees and costs, and to ratify all steps already taken, as are reasonably necessary to transfer the leasehold interest and the Project from the Company to the Authority; to take such steps that are reasonably necessary to obtain the Commission's approval of the transfer of the Project from the Company to the Authority; cause the Authority to assume the Company's leasehold interest in the Project; cause the Authority to assume the Debt and remaining assets of the Company, including the HAP Contract; cause the Authority to assume the interest of the Investor Member in the Company and cause the dissolution of the Company upon transfer of the Project to the Authority; and

WHEREAS, in the alternative, the Authority, desires to take such steps, make such reasonable expenditures, including, but not limited to attorney's fees and costs, and to ratify all steps already taken, as are reasonably necessary to transfer the Investor Member Interests to the Authority; to take such steps that are reasonably necessary to obtain the required consents necessary to transfer the Investor Member Interests; and

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

RESOLUTIONS

RESOLVED, that the Authority, in its own capacity and as managing member of the Company is authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the transfer of the leasehold interest and the Project from the Company to the Authority, or in the alternative, to acquire the Investor Member Interest, and to negotiate,

execute, and deliver such documents as may be reasonably required to effectuate the Project transfer;

RESOLVED, that the Authority, in its own capacity and as managing member of the Company, 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 the transfer of the leasehold interest in the Project from the Company to the Authority, or in the alternative, to acquire the Investor Member Interests;

RESOLVED, that the Authority, in its own capacity and as managing member of the Company, is authorized, empowered and directed to take such steps as may be necessary or desirable for the Authority to assume all of the Company's obligations with respect to the Debt;

RESOLVED, that the Authority, in its own capacity and as managing member of the Company, is authorized, empowered and directed to make any amendments to the Lease or any other documents as may be necessary or desirable in connection with the transactions contemplated by this resolution;

RESOLVED, that the Authority, in its own capacity and as managing member of the Company, is authorized, empowered and directed to take such steps as may be necessary or desirable to obtain consent of the lenders of the Debt or other necessary parties, and to negotiate, execute and deliver such documents as may be required by the lenders of the Debt in connection with the foregoing, including, without limitation, any loan assumption documents;

RESOLVED, that the Authority in its own capacity and as managing member of the Company, is authorized, empowered and directed to take such reasonable steps as may be necessary to obtain the consent of the PHA to the Authority's assumption of the HAP Contract,

and to negotiate, execute and deliver such documents as may be required by the PHA in connection with the foregoing;

RESOLVED, that the Authority in its own capacity and as managing member of the Company, is authorized, empowered and directed to take such reasonable steps as may be necessary to obtain the Commission's approval of the transfer of the Project from the Company 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 Company to the Authority, and paying the requisite transfer fee to the Commission of approximately \$2,500.00;

RESOLVED, that any and all documents in connection with the foregoing, which are authorized to be executed by or on behalf of the Authority, in its own capacity and as managing member of the Company, are authorized to be executed by the Executive Director of the Authority;


RESOLVED, that the Executive Director of the Authority, is authorized, empowered and directed to take such further action on behalf of the Authority, in its own capacity and as managing member of the Company, to cause to be done all other acts and to take all further steps and actions, and to deliver all agreements, documents and instruments, and make such reasonable expenditures, as the Executive Director of the Authority, shall deem necessary or desirable to carry out the foregoing resolutions; and

RESOLVED, that all steps or actions heretofore taken and/or documents heretofore executed with respect to the foregoing by the Authority, in its own capacity and as managing member of the Company, as contemplated the transactions herein are hereby ratified and affirmed.

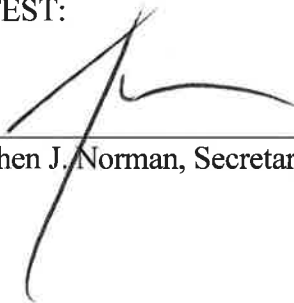
RESOLVED, that any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person may be taken by a duly authorized acting Deputy Executive Director of the Authority.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 21st day of March, 2016.

HOUSING AUTHORITY OF THE COUNTY OF KING


By: Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:


Stephen J. Norman, Secretary

[CERTIFICATE FOLLOWS ON NEXT PAGE]

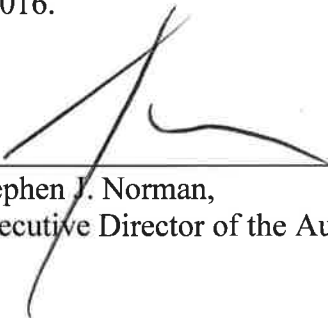
CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting 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 foregoing Resolution No. 5534 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on March 21, 2016, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respect in accordance with the law, 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 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.

DATED: April 19th 2016.



Stephen J. Norman,
Executive Director of the Authority

