

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5543

(Corinthian Apartments Bonds)

A RESOLUTION providing for the issuance of revenue bonds of the Authority in the aggregate principal amount of not to exceed \$7,000,000, the proceeds of which will be used to make a loan to Corinthian TOD LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner; and determining related matters.

ADOPTED July 25, 2016

*This document was prepared by:*

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WHEREAS, the Housing Authority of the County of King (the “Authority”) seeks to encourage the provision of housing for low-income persons residing in King County, Washington (the “County”); 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, “lease any . . . lands . . . embraced in any housing project and . . . establish and revise the rents or charges therefor”; and “sell, lease, exchange, transfer . . . or dispose of any real or personal property or any interest therein . . .”; 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, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, Corinthian TOD LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the “Borrower”), has applied to the Authority for

the financial assistance in the principal amount of up to \$7,000,000 for the purpose of providing a portion of the funds with which to finance the acquisition and rehabilitation of a 95-unit multifamily housing complex, known as Corinthian Apartments, located at 3039 154<sup>th</sup> Street, SeaTac, Washington, to provide housing for low-income persons in the County (the “Project”); and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue the Bonds, in an aggregate principal amount not to exceed \$7,000,000, the proceeds of which will be lent to the Borrower (defined below) for the purposes described herein; and

WHEREAS, it is anticipated that the County will enter into a Contingent Loan Agreement with the Authority to provide credit enhancement for the Bonds; and

WHEREAS, it is anticipated that KeyBanc Capital Markets Inc. will offer to purchase the Bonds under the terms and conditions set forth in this resolution; and

WHEREAS, RCW 35.82.040 provides that a housing authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of King as follows:

Section 1. Definitions. As used in this resolution, the following words have the following meanings:

“Authority” means the Housing Authority of the County of King, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

“Authorized Officer” means the Chair of the Board, Executive Director of the Authority, or any Deputy Executive Director of the Authority.

“Board” means the Board of Commissioners of the Authority.

“Bond Registrar” means the entity serving as registrar, authenticating agent and paying agent under the Indenture, initially the Trustee.

“Bond” or “Bonds” means one or more of the revenue bonds of the Authority issued pursuant to, under the authority of and for the purposes provided in this resolution and the Indenture.

“Borrower” means Corinthian TOD LLLP, a Washington limited liability limited partnership.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contingent Loan Agreement” means the Contingent Loan Agreement between the County and the Authority relating to the Bonds and other obligations of the Authority relating to the Project.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the Borrower and The Bank of New York Mellon Trust Company, N.A., as dissemination agent, relating to the Bonds, including any supplements or amendments thereto.

“County” means King County, Washington.

“Deed of Trust” means the Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Corinthian Apartments Bond Loan), to be made by the Borrower, as grantor, for the benefit of the Authority, as beneficiary.

“General Revenues” means all revenues of the Authority from any source, but only to the extent that those revenues are available to pay debt service on the Bonds and are not now or hereafter pledged, by law, regulation, contract, covenant, resolution, deed of trust or otherwise (including restrictions relating to funds made available to the Authority under the U.S. Housing Act of 1937), solely to another particular purpose.

“Indenture” means the Trust Indenture between the Authority and the Trustee relating to the Bonds, including any supplements or amendments thereto made in conformity herewith and therewith.

“Loan” means the loan from the Authority to the Borrower of the proceeds of the Bonds.

“Loan Agreement” means the Loan Agreement by and between the Authority and the Borrower providing for, evidencing and securing the obligation of the Borrower to repay the Loan, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Project” means, depending on the context, (1) the acquisition and rehabilitation of the 95-unit multifamily housing complex known as Corinthian Apartments located at 3039 154<sup>th</sup> Street, SeaTac, Washington, or (2) the Corinthian Apartments.

“Promissory Note” means the promissory note to be made by the Borrower to the Authority to evidence the Loan.

“Trustee” means the entity serving as trustee under the Indenture, initially The Bank of New York Mellon Trust Company, N.A.

All capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

Section 2. Authorization of Bonds and Application of Proceeds. The Authority shall issue the Bonds for the purpose of making the Loan to the Borrower to provide a portion of the funds required to pay, or reimburse the Borrower for, costs of the Project. Such Bond financing is declared and determined to be important for feasibility of the Project. All proceeds of the Bonds shall be lent to the Borrower for those purposes, and shall be deposited with the Trustee, all as provided in the Indenture. The Board finds that it is in the best interest of the Authority to issue the Bonds for the purposes set forth in this resolution.

Section 3. Description of Bonds. The Bonds shall be issued in registered form in an aggregate principal amount not to exceed \$7,000,000. The Bonds shall be dated such date, shall be in such denominations, shall bear interest payable on such dates and at such rates, shall mature at such times and in such amounts, shall have such prepayment or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as shall be set forth in the Indenture.

Section 4. Security for the Bonds. The Bonds shall be special, nonrecourse obligations of the Authority payable solely from sources described herein and in the Indenture. The Bonds shall be secured by a pledge of the Trust Estate, which shall include (a) all rights, title and interests of the Authority in the proceeds of any loans made by the County with respect to the Bonds under the Contingent Loan Agreement, (b) General Revenues of the Authority, subject to the parity lien of other obligations, as described herein and in the Indenture, and (c) certain funds and accounts established under the Indenture (subject to disbursements from any such fund or account), (d) money and securities from time to time held by the Trustee under the Indenture, and (e) to the extent not covered, all proceeds of all of the foregoing, all as described in the Indenture.

The Bonds shall not be a debt of the County, the State or any political subdivision thereof, and the Bonds shall so state on their face. Neither the County, the State nor any political subdivision thereof (except the Authority, from the sources identified herein and in the Indenture) shall be liable for payment of the Bonds nor in any event shall principal of, premium, if any, on and interest on the Bonds be payable out of any funds or assets other than those pledged to that purpose by the Authority herein and in the Indenture. The Authority has no taxing power.

The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with the Bonds. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made under the Bonds with respect to that portion of the General Revenues so pledged.

Neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bonds.

Section 5. Form and Execution of Bonds. The Bonds shall be in a form consistent with the provisions of this resolution, the Indenture and state law, shall bear the manual or facsimile signatures of the Chair of the Board and Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof.

The Bonds shall be authenticated by the Bond Registrar as set forth in the Indenture. No Bonds shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 6. Preservation of Tax Exemption for Interest on Bonds. The Authority covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the Authority treated as proceeds of the Bonds at any time during the term of the Bonds which would cause interest on the Bonds to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirement of Section 148 of the Code is applicable to the Bonds, it will take all actions necessary to comply (or to be treated as having complied) with that requirement in

connection with the Bonds, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Bonds from being included in gross income for federal income tax purposes.

Section 7. Authorization of Bond and Loan Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Indenture, the Loan Agreement, the Deed of Trust, the Promissory Note, the Contingent Loan Agreement, the Continuing Disclosure Agreement, and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bonds, the sale of the Bonds and the making of the Loan to the Borrower. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bonds, the Indenture, the Loan Agreement, the Contingent Loan Agreement, the Continuing Disclosure Agreement and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bonds and the documentation of the loan from the Authority to the Borrower. The Authorized Officers, and each of them acting alone, are authorized and directed to do everything necessary for the issuance, execution and delivery of the Bonds, including appointing the Trustee and “deeming final” the preliminary official statement for the Bonds for the sole purpose of the Bond purchaser’s compliance with Securities and Exchange Commission Rule 15c2-12(b)(1), and to execute and deliver, on behalf of the Authority, the Indenture, the Loan Agreement, the Contingent Loan Agreement, the Continuing Disclosure Agreement, and any other documents that may be useful or necessary in connection with the issuance of the Bonds and to ensure the proper use and application of the proceeds from the sale of the Bonds. The Authorized Officers, and each of them acting alone,



are further authorized to approve and execute an official statement for the Bonds on behalf of the Authority. The execution of any instrument by an Authorized Officer shall be conclusive evidence such instrument has been duly approved by such Authorized Officer.

Section 8. Authorization of Borrower Documents and Execution Thereof. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to negotiate, execute and deliver, on behalf of the Authority in its capacity as general partner of the Borrower, the Loan Agreement, the Deed of Trust, the Promissory Note, and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bonds, the sale of the Bonds and the Loan to the Borrower.

Section 9. Authorization of Purchase Contract. It is anticipated that KeyBanc Capital Markets Inc. will present a purchase contract (the “Bond Purchase Contract”) to the Authority offering to purchase the Bonds under the terms and conditions provided herein and therein. The Board finds that entering into such a Bond Purchase Contract is in the best interest of the Authority, to accept the offer contained in the Bond Purchase Contract and to execute the Bond Purchase Contract on behalf of the Authority.

Section 10. 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 by a Deputy Executive Director of the Authority, respectively.

Section 11. 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 12. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 13. 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 thereof this 25<sup>th</sup> day of July, 2016.

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 copy of Resolution No. 5543 (the "Resolution") is a full, 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 July 25, 2016, and duly recorded in the minute books of the Authority;

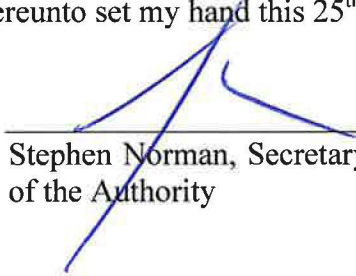
2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which 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 administrative 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; 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 25<sup>th</sup> day of July, 2016.



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Stephen Norman, Secretary and Executive Director  
of the Authority

CERTIFICATE



**SPECIAL MEETING  
OF THE  
BOARD OF COMMISSIONERS**

**July 25, 2016 at 8:30 a.m.**

Nia Apartments at Greenbridge  
Conference Room (Large)  
9935 8<sup>th</sup> Avenue SW  
Seattle, WA 98106

**A G E N D A**

- I. Call to Order**
- II. Roll Call & Welcome**
- III. Public Comment**
- IV. Approval of Minutes**  
Board Meeting Minutes – June 20, 2016
- V. Approval of Agenda**
- VI. Consent Agenda**
  - A. Voucher Certification Reports May 2016 (General & Bond Properties)
  - B. **Resolution No. 5540:** A Resolution of the Housing Authority of the County of King authorizing the transfer of the Arbor Heights Apartments project from, KCHA-Cones LP (the Company) to the Housing Authority, including, but not limited to the acquisition of the investor member interest in the Company's obligations, subsequent dissolution of the Company and all related matters
  - C. **Resolution No. 5541:** A Resolution of the Housing Authority of the County of King authorizing the transfer of the Southwood Square Apartments project from KCHA-Southwood Square LP (the Company) to the Housing Authority, including, but not limited to the acquisition of the investor member interest in the Company's obligations, subsequent dissolution of the Company and all related matters

**VII. Executive Session (RCW 42.30.110 (b)-purchase of real estate)**

**VIII. Resolutions for Discussion & Possible Action**

- A. **Resolution No. 5542:** A Resolution authorizing the acquisition of the Highland Village Apartments
- B. **Resolution No. 5543:** A Resolution providing for the issuance of revenue bonds of the Authority in aggregate principal amount of not to exceed \$7,000,000, the proceeds of which will be used to make a loan to Corinthian TOD, LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner; and determining related matters
- C. **Resolution No. 5544:** A Resolution authorizing the acquisition of the Abbey Ridge Apartments

**IX. Briefings & Reports**

- A. Risk Management & Insurance Programs Update
- B. Second Quarter 2016 Procurement Report
- C. Budget Forecast CY 2016
- D. Second Quarter 2016 Summary Write-offs

**X. Executive Director's Report**

**XI. KCHA in the News**

**XII. Commissioner Comments**

**XIII. 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.