

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5545

(Energy Efficiency Improvements Financing)

A RESOLUTION authorizing the Authority to obtain financing for energy efficiency improvements at properties owned by the Authority; authorizing the execution of related documents; and determining related matters.

ADOPTED August 18, 2016

*This document was prepared by:*

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HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5545

A RESOLUTION authorizing the Authority to obtain financing for energy efficiency improvements at properties owned by the Authority; authorizing the execution of related documents; and determining related matters.

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 35.82.070(2) provides that a housing authority may acquire 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 38.82.070(5) provides that a housing authority may “purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise . . . any real or personal property or any interest therein”; 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, under Section 54A and 54D of the Internal Revenue Code of 1986, as amended (the “Code”), enacted by the Energy Improvement and Extension Act of 2008 and the American Recovery and Reinvestment Act of 2009 (together “ARRA”), the federal government authorized a program under which state and local governments may issue taxable Qualified Energy Conservation Bonds for the purpose of “implementing green community programs (including the use of loans, grants, or other repayment mechanisms to implement such programs);” and

WHEREAS, the County has adopted its Green Communities Initiative, offering access to Qualified Energy Conservation Bond financing for projects that meet established criteria and provide energy and other environmental benefits in the County; and

WHEREAS, by its letter dated March 10, 2016, the Washington State Housing Finance Commission (the “Commission”) allocated up to \$10,464,528.95 of State of Washington Volume Cap for Qualified Energy Conservation Bonds to the Authority, to allow the Authority to implement energy conservation measures for various properties owned by the Authority as part of the Green Community Initiative administered by the County; and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to enter into a lease-purchase agreement, in a principal amount not to exceed \$10,464,528.95, to provide for the acquisition and installation of energy conservation measures on properties owned by the Authority; and

WHEREAS, the Authority will designate the lease-purchase financing as a “Qualified Energy Conservation Bond” for qualified conservation purposes, and elect to apply the provisions of 6341(f) of the Code to such financing, with the intent of receiving federal subsidy payments relating thereto; and

WHEREAS, it is anticipated that the energy conservation measures will be provided by Johnson Controls, Inc. (the “Contractor”) and that HASI OBS OP A LLC, or an affiliate (the “Lessor”) will offer to finance the energy conservation measures pursuant to a lease-purchase agreement (the “Lease-Purchase Agreement”) to be entered into between the Authority and the Lessor 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.

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

“Contractor” means Johnson Controls, Inc., and its successors and assigns.

“Commission” means the Washington State Housing Finance Commission.

“County” means King County, Washington.

“General Revenues” means all revenues of the Authority from any source, but only to the extent that those revenues are available to pay amounts due under the Lease-Purchase Agreement 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.

“Lease Fund” means the Authority’s Energy Efficiency Improvements Lease-Purchase Financing Fund, 2016 created by Section 4 of this resolution for the purpose of paying the amounts due from the Authority under the Lease-Purchase Agreement.

“Lease-Purchase Agreement” means the lease-purchase agreement to be entered into by and between the Lessor and the Authority.

“Lessor” means HASI OBS OP A LLC, or an affiliate thereof, and its successors and assigns.

“Project” means, depending on the context, (1) the acquisition and installation of energy conservation measures on Authority property, or (2) such energy conservation measures.

Section 2. Authorization of Lease-Purchase Agreement and Application of Proceeds.

The Authority shall enter into the Lease-Purchase Agreement in order to finance the Project in a principal amount not to exceed \$10,464,528.95. Such financing is declared and determined to be important for the feasibility of the Project. The Board finds that it is in the best interest of the Authority to enter into the Lease-Purchase Agreement for the purposes set forth in this resolution.

Section 3. Authorization of Lease-Purchase Agreement and Related Documents and Execution Thereof.

The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Lease-Purchase Agreement and such other documents, instruments and agreements as may be necessary or desirable in connection with the Lease-Purchase Agreement or the Project. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Lease-Purchase Agreement and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the Lease-Purchase Agreement. The Authorized Officers, and each of them acting alone, are authorized and directed to do everything necessary for the Project and the lease-purchase financing contemplated by this resolution, and to execute and deliver, on behalf of the Authority, Lease-Purchase Agreement and any other documents that may be useful or necessary in connection with the Project and the lease-purchase financing contemplated by this resolution. The execution of any instrument by

an Authorized Officer shall be conclusive evidence such instrument has been duly approved by such Authorized Officer.

Section 4. Security for the Authority's Obligations Under the Lease-Purchase Agreement. The Lease Fund is hereby established as a special fund of the Authority and is to be known as the Energy Efficiency Improvements Lease-Purchase Financing Fund, 2016. The Lease Fund is to be drawn upon for the sole purpose of paying the amounts due from the Authority under the Lease-Purchase Agreement. The Authority irrevocably obligates and binds itself to set aside and pay into the Lease Fund from General Revenues money sufficient in amount to pay payments due from the Authority under the Lease-Purchase Agreement when due.

The Lease-Purchase Agreement shall not be a debt of the County, the State or any political subdivision thereof, and the Lease-Purchase Agreement shall so state on its face. Neither the County, the State nor any political subdivision thereof (except the Authority, from the sources identified herein) shall be liable for payment of obligations under the Lease-Purchase Agreement nor in any event shall payments due under the Lease-Purchase Agreement be payable out of any funds or assets other than those pledged to that purpose by the Authority. 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 Lease-Purchase Agreement. 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 Lease-Purchase Agreement 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 Lease-Purchase Agreement.

Section 5. Election to Treat the Lease-Purchase Financing as Taxable Qualified Energy Conservation Bond – Direct Payment. The Authority hereby irrevocably elects to have Section 6431(f)(3) of the Code apply to the lease-purchase financing described herein so that such financing is treated as a “specified tax credit bond” that is a “qualified bond” with respect to which the Authority will be eligible to receive federal subsidy payments in an amount equal to the lesser of (i) the amount of interest payable under the Lease-Purchase Agreement on each interest payment date or (ii) 70% of the amount of interest that would have been payable under the Lease-Purchase Agreement on each interest payment date if such interest were determined at a rate equal to the tax credit rate determined under Section 54A(b)(3) of the Code.

Section 6. Project Part of County’s Green Community Initiative and Commission’s Green Community Program. The Project has been approved as meeting the standards developed as part of the Green Community Initiative administered by the County, and will be used to implement the Commission’s Green Community Program.

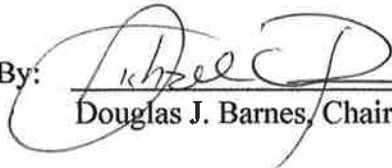
Section 7. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 8. 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.

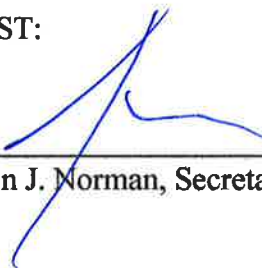
Section 9. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting thereof this 18<sup>th</sup> day of August, 2016.

HOUSING AUTHORITY OF THE COUNTY OF  
KING

By:  \_\_\_\_\_  
Douglas J. Barnes, Chair

ATTEST:

  
\_\_\_\_\_  
Stephen J. Norman, Secretary



## 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. 5545 (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 August 18, 2016, and duly recorded in the minute books of the Authority;

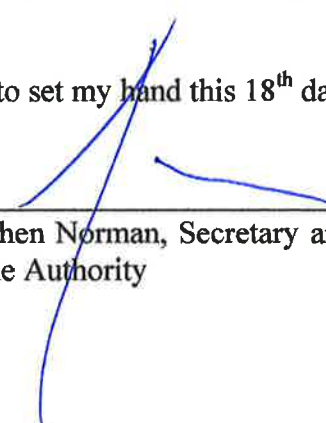
2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which 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 18<sup>th</sup> day of August, 2016.



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Stephen Norman, Secretary and Executive Director  
of the Authority

CERTIFICATE



**SPECIAL MEETING  
OF THE  
BOARD OF COMMISSIONERS**

**August 18, 2016 at 8:30 a.m.**  
Via Conference Call  
Snoqualmie Conference Room  
600 Andover Park West  
Tukwila, WA 98188

**A G E N D A**

- I. Call to Order**
- II. Roll Call**
- III. Approval of Minutes**  
Board Meeting Minutes – July 25, 2016 1
- IV. Approval of Agenda**
- V. Resolutions for Discussion & Possible Action**
  - A. Resolution No. 5545:** A Resolution authorizing the Authority to obtain financing for energy efficiency improvements at properties owned by the Authority; authorizing the execution of related documents; and determining related matters 2
  - B. Resolution No. 5546:** A Resolution relating to the Authority's revolving Line of Credit Revenue Note, 2015 (Tax-Exempt) and revolving Line of Credit Revenue Note, 2015 (Taxable), issued pursuant to Resolution No. 5504; authorizing an increase in combined principal amount, to not to exceed \$80,000,000 at any one time outstanding; authorizing the execution of related documents; and determining related matters 3
- VI. Executive Director's Report**
- VII. KCHA in the News**
- VIII. Commissioner Comments**
- IX. 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.