

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5573

**A RESOLUTION AUTHORIZING ACQUISITION OF
BALLINGER COMMONS**

WHEREAS, there is an increasingly serious shortage of affordable housing in King County, which the King County Housing Authority (“Housing Authority”) is charged with addressing pursuant to its mission of providing quality affordable housing opportunities equitably distributed within King County; and

WHEREAS, it is a goal of local government and the Housing Authority to further fair housing in the region affirmatively, in part through preservation of existing affordable housing opportunities in areas with significantly appreciating housing costs; and

WHEREAS, Ballinger Commons (the “Property”) comprises the 485-unit apartment complex located at 2405 N 202nd Place, Shoreline, Washington, in an area of King County where rents are increasingly unaffordable to low-income households; and

WHEREAS, the Property currently provides rental housing at rents affordable to low income households with incomes at or below 80% of area median income; and,

WHEREAS, rents have increased by 37.5% over the last 5 years in Shoreline, resulting in a growing loss of affordable housing; and

WHEREAS, rents at the Property and in the Shoreline rental market are expected to continue to escalate making the Property and Shoreline increasingly less affordable to low income households; and

WHEREAS, the Property is located in a very high opportunity area according to the mapping established by the Housing Authority and the Puget Sound Regional Council; and

WHEREAS, the Board of Commissioners of the Housing Authority of the County of King, by Resolution No. 5382, directed staff “to give strong consideration to Opportunity Neighborhood indicators such as education, employment, access to food, parks and transportation, when acquiring new properties”; and

WHEREAS, RCW 35.82.070(2) provides, in part, that a housing authority shall have the power to acquire housing projects within its area of operations, and RCW 35.82.070(5) authorizes a housing authority to acquire real property by exercise of the power of eminent domain or by purchase in lieu of exercise of the power of eminent domain; and

WHEREAS, acquisition of the Property by the Housing Authority will serve the mission of the Housing Authority and the housing goals of the region through an approach that is considerably less expensive than constructing the same number of new housing units and prevent the potential dislocation of existing residents; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING:

Section 1: Acquisition of the Property by the Housing Authority is necessary to preserve and provide housing for persons of low income that is equitably distributed in various areas of its operations, and in areas of rising rents and high housing market costs in particular.

Section 2: The Board of Commissioners hereby authorizes the Executive Director to acquire the Property by condemnation through exercise of the Housing Authority's power of eminent domain, if it is unsuccessful in acquiring the Property on satisfactory terms through negotiation with and purchase from the owner in lieu of condemnation for a price anticipated to be approximately One Hundred Thirty-Three Million, Three Hundred Fifty Thousand Dollars (\$133,350,000) (\$274,948.45 per unit) but which shall not exceed 105% of the appraised value of the Property pursuant to an appraisal completed by a Washington State licensed MAI appraiser. The Executive Director is hereby further vested with the authority, and with discretion in the exercise thereof, to give notice to the current owner of the Property of the Housing Authority's intention to acquire the Property by eminent domain if it is unsuccessful in acquiring the Property on satisfactory terms through negotiation and purchase in lieu of condemnation.

Section 3: The Executive Director is hereby vested with the authority, and with discretion in the exercise thereof, to attempt to negotiate purchase of the Property from the owner in lieu of condemnation. If the Executive Director is successful in negotiation of the purchase of the Property from the owner in lieu of condemnation for the price authorized above, then the Executive Director is hereby authorized (a) to sign a Purchase and Sale Agreement providing for the acquisition of the Property containing such terms and conditions as are customary in such transactions and as are deemed by the Executive Director to be in the best interests of the Housing Authority and (b) to pay into the purchase escrow the earnest money deposit for the purchase of the Property provided for under the Purchase and Sale Agreement under terms that would permit the earnest

money, after waiver of contingencies, to be forfeited to the owner as liquidated damages if the sale fails to close through no fault of the owner.

Section 4: The Executive Director is further directed to review the results of the due diligence investigation of the Property, develop a financing strategy and risk assessment and provide a recommendation to the Board as to whether to proceed with the purchase of the Property through either condemnation or negotiated purchase.

Section 5: The Board of Commissioners hereby elects pursuant to RCW 8.26.010(2) not to comply with the provisions of RCW 8.26.035 through RCW 8.26.115 in connection with the acquisition of the Property because no existing occupants of the Property will be displaced by reason of the acquisition.

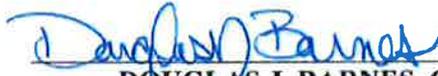
Section 6: The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, to execute any and all applications, agreements, certifications or other documents in connection with the submission of various funding and financing applications, in order to provide all or part of the interim and/or permanent financing of the acquisition of the Property pursuant to this Resolution and final Board approval.

Section 7: The Board of Commissioners hereby authorizes the Executive Director, Stephen J. Norman, and in his absence, Deputy Executive Director Daniel R. Watson or Deputy Executive Director Constance C. Davis, to execute on behalf of the Housing Authority any and all contracts, agreements, certifications or other documents in connection with the Housing Authority's acquisition of the Property pursuant to this Resolution and final Board approval.

Section 8: The Board of Commissioners further authorizes the Executive Director, Stephen J. Norman to take any and all actions necessary to consummate acquisition of the Property pursuant to this Resolution and final Board approval.

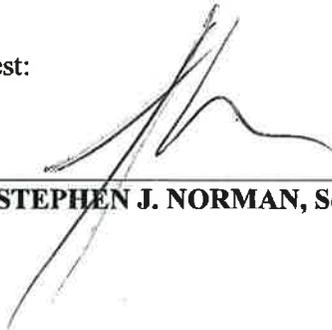
ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 31ST DAY OF OCTOBER, 2017.

**THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON**



DOUGLAS J. BARNES, Chair

Attest:



STEPHEN J. NORMAN, Secretary

