

**HOUSING AUTHORITY OF THE COUNTY OF KING**

**RESOLUTION NO. 5591**

(Pooled Housing 2018)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King providing for the issuance of refunding revenue bonds of the Authority in the aggregate principal amount of not to exceed \$80,000,000, for the purpose of providing all or a portion of the funds with which to (i) refund all of the Authority's outstanding Variable Rate Demand Pooled Housing Refunding Revenue Bonds, Series 2005A, (ii) refinance a portion of the acquisition and rehabilitation of the Ballinger Commons, (iii) fund a debt service reserve fund, and (iv) pay costs of issuing the bonds and related bonds; delegating to the Executive Director the authority to determine the form, terms and covenants of the bonds and to execute such documents as are useful or necessary to the purposes of this resolution.

ADOPTED MARCH 19, 2018

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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 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 35.82.070(5) provides that a housing authority may pledge any interest in real property; 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, pursuant to Resolution No. 5004 adopted May 9, 2005, the Authority previously issued its Variable Rate Demand Pooled Housing Refunding Revenue Bonds, Series 2005A (the "2005 Bonds"), in the principal amount of not to exceed \$46,290,000, to (i) refund

four prior bond issues of the Authority, proceeds of which financed and refinanced six affordable housing projects; (ii) repay a prior line of credit note, proceeds of which refinanced the acquisition and rehabilitation of an affordable housing project; (iii) finance the acquisition and rehabilitation of an affordable housing project; (iv) finance additional capital improvements at the refinanced affordable housing projects; and (v) pay costs of issuing the 2005 Bonds; and

WHEREAS, pursuant to Resolution No. 5575 adopted November 20, 2017, the Authority previously issued its Non-Revolving Line of Credit Revenue Note, 2017 (Ballinger Commons Project) (the “2017 Note”), drawn in the principal amount of \$132,500,000, to finance the acquisition of and improvements to a 485-unit housing project known as Ballinger Commons (together with the projects financed and refinanced by the 2005 Bonds and as further described herein, the “Refunded Projects”); and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue its Pooled Housing Refunding Revenue Bonds, 2018 (the “2018 Bonds”), in an aggregate principal amount not to exceed \$80,000,000, for the purpose of (i) refunding, on a current basis, all of the outstanding 2005 Bonds, (ii) refunding, on a current basis, a portion of the 2017 Note, (iii) funding a debt service reserve fund for the 2018 Bonds, and (iv) paying costs of issuing the 2018 Bonds and related bonds; and

WHEREAS, the Authority anticipates that it will in the future authorize the issuance of additional bonds for Authority purposes (collectively with the 2018 Bonds, the “Bonds”) pursuant to the Indenture (as defined herein); and

WHEREAS, it is anticipated that KeyBanc Capital Markets Inc. will offer to purchase the 2018 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, unless a different meaning clearly appears from the context, the following words have the following meanings:

“Aspen Ridge Apartments” means the 88-unit apartment complex located at 12601 – 68th Avenue South in unincorporated King County, Washington.

“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.

“Ballinger Commons Apartments” means the 485-unit apartment complex known as Ballinger Commons Apartments located at 2405 North 202nd Place in Shoreline, Washington.

“Bellepark East Apartments” means the 118-unit apartment complex known as Bellepark East Apartments located at 16203 NE 13th Street in Bellevue, Washington.

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

“Bond Purchase Agreement” means a Bond Purchase Agreement between the Underwriter and the Authority relating to the sale of the 2018 Bonds.

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

“Bond” or “Bonds” means the one or more of the Authority’s Pooled Housing Revenue Bonds authorized by, and at any time outstanding pursuant to, the Indenture or any supplement thereto, with such additional designations and series as an Authorized Officer of the Authority shall determine are necessary and appropriate.

“Carriage House Apartments” means the 236-unit apartment complex located at 3602-10 South 180<sup>th</sup> Street in SeaTac, Washington.

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

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

“Cottonwood Apartments” means the 75-unit apartment complex located at 25919 25<sup>th</sup> Lane South in Kent, Washington.

“County” means King County, Washington.

“Cove East Apartments” means the 190-unit apartment complex located at 33030 First Avenue South in Federal Way, Washington.

“Deed of Trust” or “Deeds of Trust” means one or more deeds of trust, assignments of rents and security agreements under which the Authority will be the grantor and the Trustee will be the beneficiary, constituting a lien on the real property and improvements constituting the Project or Projects financed or refinanced with the proceeds of an issue of Bonds, including any supplements or amendments thereto made in conformity herewith and therewith.

“Executive Director” means the Executive Director of the Authority, or his or her designee.

“General Revenues” means all revenues of the Authority from any source, but only to the extent 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 as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

“Investment Earnings” means all net earnings derived from the investment of money held in any of the funds held under the Indenture.

“Newporter Apartments” means the 120-unit apartment complex located at 5900 119<sup>th</sup> Avenue S.E. in Bellevue, Washington.

“Project Revenues” means (1) all amounts due to or received by the Authority or by the Trustee for the account of the Authority pursuant or with respect to the Refunded Projects, including without limitation all rental revenue, subsidy payments, lease payments, payments on contractors’ bonds, insurance proceeds and condemnation awards and proceeds resulting from foreclosure of any Deed of Trust, but excluding refundable security deposits, and (2) all Investment Earnings.

“Projects” means, collectively, the Refunded Projects and any other projects financed or refinanced with proceeds of an issue of Bonds.

“Refunded Obligations” means, collectively, the 2005 Bonds and the 2017 Note.

“Refunded Projects” means, collectively, the Aspen Ridge Apartments, Ballinger Commons Apartments, Bellepark East Apartments, Carriage House Apartments, Cottonwood

Apartments, Cove East Apartments, Newporter Apartments, Timberwood Apartments and Woodside East Apartments.

“Supplemental Indenture” means any indenture supplementing the Indenture as contemplated herein.

“Timberwood Apartments” means the 240-unit apartment complex located at 3809 148th Avenue Northeast in Bellevue, Washington.

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

“2005 Bonds” means the Authority’s Variable Rate Demand Pooled Housing Refunding Revenue Bonds, Series 2005A, in the original aggregate principal amount of not to exceed \$46,290,000, which are currently outstanding in the aggregate principal amount of \$32,100,000.

“2005 Indenture” means the Master Trust Indenture dated as of June 14, 2005, between and among the Authority and Wells Fargo Bank, National Association, relating to the 2005 Bonds.

“2017 Note” means the Authority’s Non-Revolving Line of Credit Revenue Note, 2017 (Ballinger Commons Project), drawn and currently outstanding in the original principal amount of \$132,500,000.

“2018 Bond” or “2018 Bonds” means one or more of the Authority’s Pooled Housing Refunding Revenue Bonds, 2018, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Underwriter” means KeyBanc Capital Markets Inc.

“Woodside East Apartments” means the 244-unit apartment complex known as the Woodside East Apartments located at 16240 N.E. 13th Avenue in Bellevue, Washington.

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

Section 2. Authorization of 2018 Bonds and Application of Proceeds. For the purpose of providing all or part of the money required to (i) refund, on a current basis, the outstanding 2005 Bonds, (ii) refund, on a current basis, a portion of the 2017 Note, (iii) fund a debt service reserve fund for the 2018 Bonds, and (iv) pay costs of issuing the 2018 Bonds and bonds issued concurrently with the 2018 Bonds to provide additional funds to refund the 2017 Note, the Authority shall issue its Pooled Housing Refunding Revenue Bonds, 2018, in the maximum aggregate principal amount of not to exceed \$80,000,000. Such financing with proceeds of the 2018 Bonds is declared and determined to be important for the feasibility of the Refunded Projects. All proceeds of the 2018 Bonds shall be deposited with the Trustee for those purposes, as provided in the Indenture. The Board finds that it is in the best interests of the Authority to issue the 2018 Bonds, payment of which will be secured by the Deeds of Trust, for the purposes set forth in this resolution.

Section 3. Description of 2018 Bonds. The 2018 Bonds shall be called the Pooled Housing Refunding Revenue Bonds, 2018, and shall be in an aggregate principal amount not to exceed \$80,000,000. The 2018 Bonds shall be in authorized denominations of \$5,000 or any integral multiple thereof within a single maturity, shall be dated such date, 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 terms of this resolution as are approved by the Executive Director and set forth in the Indenture, which document is incorporated herein by this reference.



Section 4. Security for the 2018 Bonds. The 2018 Bonds shall be secured by a pledge of the Project Revenues, a pledge of the Authority's General Revenues, a debt service reserve fund, all monies and securities held by the Trustee in the funds and accounts established under the Indenture, and, until released as provided in the Indenture, by the Trustee's interest in the Deeds of Trust, as set forth in the Indenture.

The 2018 Bonds shall be special, recourse obligations of the Authority payable solely from the Trust Estate pledged under the Indenture.

The 2018 Bonds shall not be a debt of the County, the State or any political subdivision thereof, and the 2018 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 2018 Bonds nor in any event shall principal of, premium, if any, and interest on the 2018 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 2018 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 2018 Bonds with respect to that portion of the General Revenues so pledged.

In addition, the Authority reserves the right to issue additional obligations under the Indenture for other housing projects ("Additional Bonds"), the principal of and interest on which are to be paid from the Trust Estate pledged under the Indenture on a parity of lien with the 2018

Bonds, provided that the debt service coverage requirements set forth in the Indenture are satisfied.

None 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 2018 Bonds. The 2018 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 2018 Bonds shall be authenticated by the Bond Registrar as set forth in the Indenture. No 2018 Bond shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the 2018 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 of Interest on the 2018 Bonds. The Authority covenants that it will take all actions necessary to prevent interest on the 2018 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 2018 Bonds or other funds of the Authority treated as proceeds of the 2018 Bonds at any time during the term of the 2018 Bonds which would cause interest on the 2018 Bonds to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the 2018 Bonds, it will take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the 2018 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 2018 Bonds from being included in gross income for federal income tax purposes.

Section 7. Refunding of the Refunded Obligations. The proceeds of the sale of the 2018 Bonds necessary to pay and redeem the 2005 Bonds shall be transferred immediately upon the receipt thereof by the Trustee, along with other money of the Authority deposited with the Trustee for such purpose, if necessary, to the trustee for the 2005 Bonds and used to discharge the obligations of the Authority relating to the outstanding 2005 Bonds.

The proceeds of the sale of the 2018 Bonds necessary to pay and redeem a portion of the 2017 Note shall be transferred immediately upon the receipt thereof by the Trustee, along with other money of the Authority deposited with the Trustee for such purpose, if necessary, to the holder of the 2017 Note and used, together with proceeds of the Authority's Revenue Bonds, 2018 (Ballinger Commons Project), to discharge the obligations of the Authority relating to the outstanding 2017 Note.

Section 8. Call for Redemption of 2005 Bonds. The Authority calls for redemption all outstanding 2005 Bonds, at a price of par plus accrued interest to such date.

The proper officials of the Authority are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required pursuant to the 2005 Indenture in order to effect the redemption of the 2005 Bonds prior to their maturity.

Section 9. Authority Findings with Respect to Refunding. The Board finds and determines that the issuance and sale of the 2018 Bonds at this time is in the best interest of the Authority. In making such finding and determination, the Board has given consideration to the

proposed terms and maturities of the 2018 Bonds and the terms and fixed maturities of the Refunded Obligations, and the costs of issuance of the 2018 Bonds.

Section 10. Delegation; Authorization of Documents and Execution Thereof. The Board hereby delegates to the Executive Director the authority to negotiate and approve the forms of the Indenture, the Deeds of Trust, the Bond Purchase Agreement, the Continuing Disclosure Agreement, and the Federal Tax Certificate, with such changes as the Executive Director of the Authority shall deem necessary or appropriate and in the best interest of the Authority. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in the 2018 Bonds, the Indenture, Deeds of Trust, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Federal Tax Certificate and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the 2018 Bonds.

The Executive Director of the Authority is further authorized and directed to do everything necessary for the issuance, execution and delivery of the 2018 Bonds, including appointing the Trustee and “deeming final” the preliminary official statement for the 2018 Bonds for the sole purpose of the Underwriter’s compliance with Securities and Exchange Commission Rule 15c2-12(b)(1), and to execute and deliver, on behalf of the Authority, any other documents that may be useful or necessary in connection with the refunding of the Refunded Obligations, the issuance of the 2018 Bonds and the perfection of the security interests in the Projects and other funds and assets of the Authority, and to ensure the proper use and application of the proceeds from the sale of the 2018 Bonds.

The delegation to the Executive Director set forth in this resolution shall include setting the final principal amount, maturity date, principal and interest payment dates, redemption

provisions and interest rates for the 2018 Bonds; *provided* that (a) the aggregate principal amount of the 2018 Bonds does not exceed \$80,000,000, (b) the final maturity of the 2018 Bonds shall not exceed forty years, and (c) the true interest cost for the 2018 Bonds does not exceed 5.25%.

The authority granted to the Executive Director by this Section 10 shall expire 90 days after the date of final approval of this resolution. If the 2018 Bonds do not close within 90 days after the date of final approval of this resolution, the authorization for the issuance the 2018 Bonds shall be rescinded, and the 2018 Bonds shall not be issued nor their sale approved unless the 2018 Bonds shall have been re-authorized by resolution of the Board of Directors. The resolution re-authorizing the issuance and sale of such 2018 Bonds may be in the form of a new resolution repealing this resolution or may be in the form of an amendatory resolution approving a sale or establishing terms and conditions for the authority delegated under this Section 10.

Section 11. 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, respectively.

Section 12. Ratification and Confirmation. Any actions of the Authority or its officers taken prior to the date of this resolution and consistent with its terms are hereby ratified and confirmed.

Section 13. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the 2018 Bonds.

Section 14. Legal Action. Any legal action concerning the enforcement of the terms of this resolution or the 2018 Bonds may be brought only in the Superior Court of King County, Washington, or in the United States District Court for the Western District of Washington. In any such legal action (including any arbitration, appeal, or insolvency proceeding), the nonprevailing party shall pay or reimburse the prevailing party for the reasonable attorneys' fees and other expenses incurred.

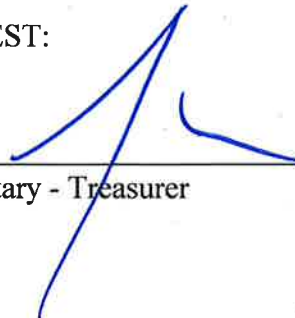
Section 15. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at a regular meeting thereof this 19<sup>th</sup> day of March, 2018.

HOUSING AUTHORITY OF THE  
COUNTY OF KING

By   
Chair

ATTEST:

  
Secretary - Treasurer

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 attached Resolution No. 5591 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners (the "Board") of the Authority, as adopted at a meeting of the Authority held on March 19, 2018, and duly recorded in the minute books of the Authority.
2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; 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 19<sup>th</sup> day of March, 2018.

  
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Executive Director of the Authority