

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5595

AUTHORIZING THE AUTHORITY TO LOAN ITS ENERGY PERFORMANCE PROJECT UP TO \$7.5 MILLION TO FINANCE ENERGY EFFICIENCY IMPROVEMENTS AT PUBLIC HOUSING PROPERTIES; AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS

WHEREAS, in December 2015, the Board of Commissioners of the Housing Authority of the County of King (the "Authority") adopted Resolution 5526 authorizing the execution of an energy performance contract ("EPC") with Johnson Controls Inc. ("JCI") to perform energy conservation measures at Authority developments for a not to exceed cost of \$25.44 million; and

WHEREAS, the EPC includes both an extension to 20 years of the Authority's previous energy performance contract and a new 20-year contract covering new public housing properties and additional incentives, which contracts are jointly referred as the "Project"; and

WHEREAS, in December 2016 the Board adopted Resolution 5558 authorizing a loan from the Authority of up to \$12 million to finance a portion of the cost of the Project (the "KCHA Loan"); and

WHEREAS, Project savings are currently anticipated to be greater than initially projected, allowing the Authority to complete additional EPC-qualified work as a part of the Project; and

WHEREAS, value engineering and change orders have reduced the existing project value to approximately \$21 million, with \$1-2 million unspent from the original loan; and

WHEREAS, there is approximately \$9.0 million of additional

work, including approximately 20 elevator upgrades, at properties included under the EPC that could be performed, increasing the overall Project size from \$21.0 million to not more than \$30 million; and

WHEREAS, based on savings currently projected by JCI, the Project can support approximately \$30 million in debt; and

WHEREAS, the Board of Commissioners deems it advisable and in the best interests of the Authority to lend additional funds in a principal amount not to exceed \$7.5 million to provide additional financing to the Project to cover the increased cost of the Project; and

WHEREAS, under terms of its Moving to Work (MTW) contract with the U.S. Department of Housing and Urban Development, the Authority may use its MTW working capital as a loan to the Project; and

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

1. The Authority shall make an additional loan and/or shall amend the KCHA Loan to the Project in order to provide not to exceed \$7.5 million in additional financing for the acquisition and installation of additional measures at the Authority's Public Housing properties under the same terms and conditions as the original \$12 million loan authorized under Resolution 5558. Such financing is declared and determined to be important for the feasibility of the Project.

2. The Board authorizes the Executive Director and any Deputy Executive Director (collectively, the "Authorized Officers"), and each of

them acting alone, to finalize and approve the note and such other documents, instruments and agreements as may be necessary or desirable in connection therewith, all on such terms and conditions as are deemed by any one of them to be in the best interests of the Authority.

3. The Authorized Officers, and each of them, is authorized to take such additional steps and to execute and deliver such approvals and any and all related affidavits, agreements and documents related thereto as any one of them determines to be necessary or advisable to give effect to this Resolution.

4. 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.

5. 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
THIS 21st DAY OF MAY, 2018.**

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



**DOUGLAS J. BARNES,
Chair**

Attest:



STEPHEN J. NORMAN, Secretary