

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5768

(TRAILHEAD DEVELOPMENT)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King providing for the formation of a limited liability limited partnership of which the Authority will be the sole general partner in connection with the acquisition, construction, equipping, and operation of a residential rental housing project to be located at 1550 Newport Way NW, Issaquah, Washington, and to approve, execute and deliver documents relating to the Trailhead development including, but not limited to, predevelopment loan documents and development documents.

ADOPTED June 17, 2024

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

Section 1. The Board of Commissioners (the “**Board**”) of the Housing Authority of the County of King (the “**Authority**”) finds and determines that:

(a) The Authority seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington (the “**County**”).

(b) The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project and . . . to establish and revise the rents or charges therefor” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040); (v) “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income” (RCW 35.82.070(19)); and (vi) issue bonds, notes or other obligations for any of its corporate purposes (RCW 35.82.020(11) and 35.82.130). The phrase “housing project” is defined by RCW 35.82.020 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.”

(c) The Authority is the fee owner of certain real property generally located at 1550 Newport Way NW, Issaquah, Washington (the “**Property**”), all or a portion of which the Authority has identified as a potential site for the development, construction, equipping, operation, and

maintenance of a mixed-use affordable housing project (the “**Project**”), currently known as the Trailhead development.

(d) The Authority expects for the Project to be financed with various funding sources, including low-income housing tax credits, tax-exempt obligations and loans. Certain of these sources will require the creation of a limited partnership or limited liability company.

(e) The Authority expects to seek admission of one or more equity investors (the “**Investor**”) to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits (“LIHTC’s”) for the Project. In order to solicit and attract proposals from potential Investors and lenders for the Project, the Partnership (as defined below) must undertake certain predevelopment and due diligence activities with respect to the Project. The Investor will, upon financial closing, become a limited partner in the applicable Partnership, acquire approximately 99.99% of the partnership interests in such Partnership, and agree to make capital contributions to the Partnership.

(f) The Authority intends to provide pre-development advances to the Partnership as the Authority deems appropriate, and the Authority may apply for additional predevelopment financing from various funding sources for the Project, the terms of which financing shall be determined by an Authorized Officer (as defined herein).

(g) The Authority desires, acting on its own behalf and/or as general partner of the Partnership and for the purposes of preparing the Project to be developed and constructed with an LIHTC Investor: (1) to apply for permits, authorizations and approvals necessary to design, develop, construct and complete the Project, to conduct due diligence activities and obtain feasibility studies and reports related to the Project, and to enter into and deliver such documents as are necessary or desirable to submit such applications or conduct such due diligence activities, and (2) to hire such professionals as is necessary to design, develop, construct and complete the Project, including but not limited to contractors, architects, engineers, surveyors, consultants and attorneys, and to enter into and deliver such documents necessary or desirable to engage such professionals and enter into such contracts (collectively, the “**Development Documents**”).

(h) Based on its consideration of the funding sources available for the Project, the need for affordable housing in the County, and other matters, the Board deems it necessary to proceed with the transactions described in this resolution, and that financing provided by the Authority for the Project is important for the Project’s feasibility and is necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law.

Section 2. The Authority is authorized to participate in the formation of and become the sole general partner of a Washington limited liability limited partnership (the “**Partnership**”), in order to develop, own, construct and operate the Project. The Board intends that the Partnership will acquire, develop, construct, equip, operate, and maintain the Project, and receive low-income housing tax credits in connection therewith. The Authority will serve as the general partner of the Partnership and KCHA Initial Affiliate LLC, a Washington limited liability company, or another affiliate of the Authority shall serve as the initial limited partner of the Partnership, with such initial limited partner to be replaced with an Investor.

Section 3. The Chair of the Authority's Board ("**Chair**"), the Authority's President/CEO ("**President/CEO**"), the Authority's Executive Vice President of Administration/Chief Administrative Officer ("**Executive VP**") and the Authority's Senior Vice President of Development and Asset Management ("**Senior VP**"), and their respective designees (each, an "**Authorized Officer**" and, collectively, the "**Authorized Officers**"), and each of them acting alone, are authorized on behalf of the Authority, on behalf of itself, in its individual capacity as a public body corporate and politic, or as general partner of the Partnership, to: (i) determine the form of, execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, a partnership agreement, a certificate of limited liability limited partnership, and all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) determine the name of the Partnership; (iii) cause the Authority or an affiliate of the Authority to serve as the general partner and the initial limited partner of the Partnership; and (iv) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority's Authorized Officer is delegated the authority to cause, in their discretion, that a Partnership shall instead be created as a Washington limited liability company, in which case all references in this resolution to limited liability limited partnership, partnership agreement, general partner, limited partner, chapter 25.10 RCW, and certificate of limited partnership with respect to such entity shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, chapter 25.15 RCW, and certificate of formation, respectively.

Section 4. The Authority is authorized to make one or more predevelopment loans (collectively, the "**Predevelopment Loans**") to the Partnership to finance all or a portion of the predevelopment costs associated with the Project. The Authorized Officers, and each of them acting alone, are authorized to determine the number of Predevelopment Loans, the principal amount of each Predevelopment Loan, the interest rate(s) applicable to each Predevelopment Loan, and the other terms of the Predevelopment Loans, which shall be set forth in the Predevelopment Loan Documents (as hereinafter defined). The Authorized Officers, and each of them acting alone, are further authorized on behalf of the Authority to determine the source (or sources) of funds for each Predevelopment Loan. The Authorized Officers, and each of them acting alone, are authorized and directed to execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf and/or as general partner of the Partnership) a predevelopment loan, security and regulatory agreement and a predevelopment loan note (together, the "**Predevelopment Loan Documents**") in such forms as any Authorized Officer may approve (with the understanding that an Authorized Officer's signature on a Predevelopment Loan Document shall be construed as the Authority's approval of such Predevelopment Loan Document); and (ii) any other documents reasonably required to be executed by the Authority and/or the Partnership to carry out the transactions contemplated by the Predevelopment Loan Documents. The Authorized Officers, and each of them acting alone, are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself and/or as general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Predevelopment Loan Documents.

Section 5. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the general partner of the Partnership) to: (i) seek and approve Investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits for the Project;

(ii) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership; (iii) execute documents pursuant to which Authority funds (including amounts granted or lent to the Authority for the Project) may be lent to the Partnership; (iv) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (v) take all necessary and appropriate actions for the Partnership to acquire all or a portion of the Project by sale or lease from the existing owner thereof (including entering into any option to lease, or lease, necessary to provide the Partnership with control of all or a portion of the Project site); and (vi) otherwise execute the Authority's rights under the partnership agreement.

Section 6. The Authorized Officers, and each of them acting alone, are further authorized and directed to take all necessary and appropriate action in connection with the structuring of financing for the Project and the design and development Project on behalf of the Partnership in a manner consistent with the development and formation of a project financed with LIHTC's and in such a manner to maximize the potential investment of an Investor, including, but not limited to: (i) seeking and selecting one or more architect for the Project; (ii) obtaining third party reports with respect to the Project including, but not limited to, feasibility studies, appraisals, market studies, environmental reports, and mold and toxicity tests; (iii) conducting such due diligence activities, applying for such approvals, and hiring such professionals and entering into such contracts as is necessary or desirable to design, develop, construct and complete the Project and (iv) preparing for the construction of the Project.

Section 7. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver the Development Documents and any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, any development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction/construction management contracts.

Section 8. The Authority is authorized to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. Each Authorized Officer is further authorized to take such further actions including, but not limited to, the execution, delivery and, if applicable, filing (or to cause to be executed, delivered and, if applicable, filed), on behalf of the Authority and/or the Partnership, any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 9. Any action required by this resolution to be taken by the Chair or the Executive Director of the Authority may, in the absence of such person, be taken by the duly authorized acting Chair of the Board ("**Acting Chair**") or an Authorized Officer, respectively.

Section 10. Notwithstanding any other Authority resolution, rule, policy, or procedure, the Authorized Officers, and each of them acting alone, are authorized to create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records and signatures under any security procedure or platform, as in such Authorized Officer's

judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 11. While the titles of and parties to the 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 12. Any actions of the Authority or its officers and employees prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.


Section 13. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED AT THE MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 17th DAY OF JUNE, 2024.

HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

By: 
DOUGLAS J. BARNES, Chair
Board of Commissioners

ATTEST:



ROBIN WALLS
President/Chief Executive Officer and Secretary-Treasurer

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting President/Chief Executive Officer 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. 5768 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a regular meeting of the Authority held at the regular meeting place on June 17, 2024 (the "Meeting"), and duly recorded in the minute books of the Authority;

2. That the public was notified of access options for remote participation in the Meeting [via the Authority's website]; and;

3. That the Meeting was duly convened, held, and included an opportunity for public comment, in all respects in accordance with law, and to the extent required by law, due and proper notice of the 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 17th day of June, 2024.



Robin Walls

President/Chief Executive Officer and Secretary-Treasurer of the Authority

