



# KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Signature Report

### Ordinance 18863

Proposed No. 2019-0029.1

Sponsors McDermott

1 AN ORDINANCE authorizing King County to participate  
2 in the United States Department of Housing and Urban  
3 Development public offering as part of the Section 108  
4 Loan Guarantee Assistance Program to refinance the  
5 existing promissory note in the original principal amount of  
6 six million eight hundred fifty thousand dollars that was  
7 authorized by Ordinance 15222, and authorize the county  
8 administrator and the director of the finance and business  
9 operations division of the department of executive services  
10 to execute the Housing and Urban Development contract,  
11 promissory note and other documents to complete the  
12 refinancing; and declaring an emergency.

#### 13 STATEMENT OF FACTS:

14 1. In July 2005, the King County council adopted Ordinance 15222,  
15 which authorized the executive to accept a six million eight hundred fifty  
16 thousand dollar loan from the Section 108 loan guarantee program of the  
17 United States Department of Housing and Urban Development department  
18 ("HUD"), a loan program that gives local governments the ability to  
19 borrow against their federal community development block grant

20 allocation to fund physical and economic revitalization projects.

21 2. The county used the loan to fund infrastructure improvements at the  
22 King County Housing Authority's Greenbridge development in the White  
23 Center neighborhood in unincorporated King County.

24 3. The loan was to be repaid by a variety of county fund sources,  
25 including the roads capital fund, the surface water management fund, the  
26 real estate excise tax number 1 fund, the general fund and the housing and  
27 community development fund, including proceeds from the county's  
28 community development block grant allocation.

29 4. Debt service payments on the loan are anticipated to be completed in  
30 2024, and have been gradually declining as the various funds complete  
31 their required payments, with the real estate tax number 1 fund making its  
32 final payment in 2014 and the roads capital fund and surface water  
33 management fund making their final payments during the 2015-2016  
34 biennium.

35 5. HUD has offered the county an opportunity to refinance the remaining  
36 outstanding balance on the loan, which is anticipated to provide the county  
37 with a net savings of approximately one hundred thousand dollars over the  
38 remainder of the loan repayment period.

39 6. The county council adopted Motion 15282 requesting that the  
40 executive provide a statement of interest to HUD by December 11, 2018,  
41 and to develop and transmit to the council the necessary legislation for  
42 implementing the refinancing of the loan as expeditiously as possible.

43           7. The county executive has provided the required statement of interest to  
44 HUD and seeks authorization for the refinancing.

45           8. King County has previously agreed to pay its share, as determined by  
46 HUD, of the customary and usual issuance, underwriting and other costs  
47 related to the public offering and future administration of the Note and the  
48 trust certificates.

49           BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

50           SECTION 1. Findings:

51           A. The United States Department of Housing and Urban Development has  
52 offered the county an opportunity to refinance the remaining outstanding balance on the  
53 loan made under Section 108 of the Housing and Community Development Act of 1974,  
54 as amended, that was used for the King County Housing Authority's Greenbridge project,  
55 which refinancing is anticipated to provide the county with a net savings of  
56 approximately one hundred thousand dollars over the remainder of the loan repayment  
57 period.

58           B. It will be economically sound and in the best interest of King County to accept  
59 more favorable fixed rates of interest under the Section 108 Loan Guarantee program  
60 offered by the Department of Housing and Urban Development under the public offering  
61 that is currently set for February 13, 2019.

62           C. In order to take advantage of the refinancing opportunity King County must  
63 deliver the required executed Department of Housing and Urban Development contract,  
64 promissory note and legal opinion to the Department of Housing and Urban Development  
65 by January 18.

66 D. The prosecuting attorney's office will only issue the required legal opinion by  
67 the January 18 deadline if this ordinance is effective on or before January 16.

68 SECTION 2. King County has determined it is in the best interest of the county  
69 to participate in the February 2019 public offering by the United States Department of  
70 Housing and Urban Development through the loan guarantee assistance program under  
71 Section 108 of the Housing and Community Development Act of 1974, as amended, for  
72 the existing obligation B-04-UC-53-0001 in the original principal amount of six million  
73 eight hundred fifty thousand dollars, and to refinance the remaining principal amount of  
74 one million four hundred and thirty-seven thousand dollars at such rates of interest that  
75 will be determined by the Department of Housing and Urban Development at the time of  
76 the public offering.

77 SECTION 3. The county administrative officer and the director of the  
78 finance and business operations division of the department of executive services  
79 are authorized to execute the necessary documents as required by the United  
80 States Department of Housing and Urban Development to refinance the existing  
81 guaranteed Section 108 Note, including a contract in substantially the form of  
82 Attachment A to this ordinance, and issue a note in substantially the form of  
83 Attachment B to this ordinance, and authorize payment of any required fees, as  
84 may be necessary to effectuate this refinancing transaction. Under the  
85 Department of Housing and Urban Development contract, King County will  
86 pledge its future Community Development Block Grant entitlement as security for  
87 the promissory note.

88 SECTION 4. The refinanced United States Department of Housing and Urban



97 exists and that this ordinance is necessary for the immediate preservation of public peace,  
98 health or safety or for the support of county government and its existing public institutions.

99

Ordinance 18863 was introduced on 1/14/2019 and hearing held/closed and passed by the Metropolitan King County Council on 1/14/2019, by the following vote:

Yes: 8 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,  
Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles and Ms. Balducci  
No: 0  
Excused: 1 - Mr. McDermott

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Rod Dembowski, Chair



ATTEST:



Melani Pedroza, Clerk of the Council

**Attachments:** None