



Service  
Integrity  
Respect  
Community  
Leadership  
Wisdom  
Creativity

## Special Meeting of the Board of Commissioners

**Date: Thursday, December 16, 2021**

**Time: Noon**

*The meeting will be held via Zoom videoconference as an emergency measure to decrease the spread of the COVID-19 coronavirus. Please use the following information to access the meeting:*

To login using your computer's audio, please click on this link:

<https://us02web.zoom.us/j/673982739?pwd=WDVWK2FFVXNZOVRwaVJkbkszNUcxdz09>

OR

If you prefer to call into the meeting, please dial: (253) 215-8782. Then use meeting code **673-982-739** and password *514202*. There are no participant IDs so please press # to enter the meeting.

**-NOTE: Due to the high volume of remote work/meetings, there could be a chance that the phone number is busy. Please be patient and call again after a few seconds.**

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1. Put your phone or microphone on mute if you are not talking.
2. When you speak, please introduce yourself every time.

### **Roll Call**

### **Executive Session**

To Discuss the Purchase of Real Estate, pursuant to RCW 42.30.110(1)(b)

### **Item for Individual Consideration**

Resolution No. 1523 Authorizing Acquisition of Huntington Park Apartments

### **Adjournment**

Everett Housing Authority does not discriminate on the basis of disability in the administration of, or access to, its programs or activities. Requests for assistance or accommodations can be arranged by contacting Chris Neblett at (425) 303-1186, or [chrisn@evha.org](mailto:chrisn@evha.org).

TO: Board of Commissioners of the Housing Authority of the City of Everett  
FROM: Jason Morrow, Director of Development  
SUBJECT: Acquisition of Huntington Park Apartments  
DATE: December 16, 2021

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## BACKGROUND

The Housing Authority of the City of Everett (the "Authority") has determined that there is an increasing shortage of affordable housing in the City of Everett. Some of the increasing shortage of affordable housing is a result of large apartment complexes being sold to investment groups seeking to maximize profits for the benefit of investors. The Authority has therefore been looking to make opportunistic purchases of developed properties listed for sale to preserve existing affordable units and move other units into the affordable range in furtherance of its strategic objective to increase the supply of affordable housing in Everett by 1,500 units over the next 10 years.

### *Eminent Domain*

Under the Housing Authorities Law, the Authority is charged with addressing the shortage of dwelling accommodations available at rents affordable to low-income persons. To prevent a worsening of the shortage of such housing within the City, it is occasionally necessary that the Authority acquire complexes under threat of eminent domain. While a voluntary purchase is generally preferable, in a very competitive market government entities such as the Authority are often at a competitive disadvantage in acquiring properties when private investors can act faster and resource capital in different ways. One way to incentivize property owners to sell to the Authority is to invoke eminent domain. The initiation of the eminent domain process allows for the property transfer to be exempt from sales excise tax and allows the property owner to utilize the provisions of IRS 1033 exchange rules. These features can be very valuable to property sellers.

### *Acquisition Opportunity*

The Huntington Park Apartments (the "Property") is currently for sale and would meet the objectives of the Authority. The Property is a 381-unit apartment complex located at 9009 West Mall Drive, Everett, Washington, in an area of the City in which market rate rents are increasingly becoming unaffordable to low-income households. The Property has historically provided market rate housing opportunities that are affordable to households of lower income and is close to jobs, transit, and services. If the Property is not acquired by the Authority, it will be sold to a private owner and rents at the Property will continue to escalate to drive profits, making the Property increasingly less affordable to low-income households.

### *Financing Strategy*

The funds to pay for this acquisition are expected to be made available through a two-part strategy that includes a short-term note to be issued by the Authority to Key Government Financing, to be paid off with permanent financing from Key Bank. This financing strategy has been used successfully by other public housing authorities in Washington State to acquire large multifamily properties on a shorter time frame to compete in the market. Staff will bring a resolution to the Board at a future date to authorize issuance of a note to finance the acquisition and closing.

## RECOMMENDED ACTION

Adopt Resolution No. 1523 authorizing the acquisition of the Huntington Park Apartments through negotiation or eminent domain.

**HOUSING AUTHORITY OF THE CITY OF EVERETT  
RESOLUTION NO. 1523**

**A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Everett authorizing acquisition, through negotiation or condemnation, of the Huntington Park Apartments**

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF EVERETT as follows:

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Everett (the “Authority”) finds, determines, and declares:

(a) 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) “purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise or otherwise . . . any real or personal property or any interest therein” (RCW 35.82.070(5)) (iii) “acquire by the exercise of the power of eminent domain any real property which it may deem necessary for its purposes under this chapter after the adoption by it of a resolution declaring that the acquisition of the real property described therein is necessary for such purposes” (RCW 35.82.110); (iv) “make and execute contracts and other instruments” (RCW 35.82.070(1)); and (v) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040). 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.”

(b) There is an increasing shortage of affordable housing in the City of Everett, Washington (the “City”).

(c) The Authority seeks to encourage the provision of housing for low-income persons residing the City, including through the preservation of existing affordable housing opportunities in areas with increasing market rate housing costs.

(d) Huntington Park Apartments (the “Property”) is a 381-unit apartment complex located at 9009 West Mall Drive, Everett, Washington, in an area of the City in which market rate rents are increasingly becoming unaffordable to low-income households. The Property has historically provided market rate housing opportunities that are affordable to households of lower income.

(e) The Property is currently for sale. The Authority anticipates that, absent action by the Authority, the Property would be sold to a private owner, and rents at the Property would continue to escalate, making the Property increasingly less affordable to low income households.

(f) Under the Housing Authorities Law, the Authority is charged with addressing the shortage of dwelling accommodations available at rents affordable to low income persons. In order to prevent a worsening of the shortage of such housing within the City, it is necessary that the Authority acquire the Property.

(g) Acquisition of the Property is for a public use and is necessary for the Authority's purposes of providing fair, safe, and affordable housing within the City. The Authority's acquisition of the Property for public use serves the public interest.

(h) The Authority has complied with the notice requirements set forth in RCW 8.25.290 by providing notice to the owner of record of the Property as indicated on the tax rolls of the county to the address provided on such tax rolls, for each property potentially subject to condemnation, at least fifteen days before the final action adopting this resolution, and through publication once per week for two weeks, prior to the adoption of this resolution.

Section 2. Acquisition of Property through Eminent Domain. The Board authorizes the acquisition, condemnation and taking of the Property known as Huntington Park Apartments, a 381-unit apartment complex located at 9009 West Mall Drive, Everett, Washington and legally described on Exhibit A. The Board authorizes the acquisition of the Property under threat of condemnation or by initiation of legal action for condemnation to acquire the Property, subject to the making or paying of just compensation to the owner thereof in the manner provided by law.

Section 3. Acquisition of Property through Negotiation. The Board authorizes the Executive Director of the Authority any Deputy Executive Director of the Authority, and their respective designees (collectively, the "Authorized Officers"), the discretionary authority to attempt to acquire the Property through negotiation and purchase in lieu of condemnation. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) a purchase and sale agreement with the current owner of the Property, and any documents reasonably required to be executed by the Authority to carry out the transactions contemplated by such purchase and sale agreement, subject to approval by the Board.

Section 4. Reservation of Rights. Nothing in this resolution limits the Authority in its identification and acquisition of property and property rights necessary for its public purposes. The Board reserves the right to acquire additional or different properties as needed.

Section 5. Authority of Authorized Officers. The Authorized Officers, and each of them acting alone, are authorized and directed to continue negotiations for the acquisition of the Property and to prosecute actions and proceedings in the manner provided by law to condemn, take, damage and appropriate the Property necessary to carry out the provisions of this resolution.

Section 6. Compensation. The compensation to be paid to the owners of the Property shall be paid from proceeds of borrowings by the Authority and/or other available funds of the Authority.

Section 7. No Displacement of Tenants. No existing tenants of the Property shall be displaced by reason of the Authority's acquisition of the Property.

Section 8. Acquisition and Operation of Property. The Board declares that, upon acquisition by the Authority, the Property will be a housing project of the Authority, approves the operation of the Property, and authorizes the Authorized Officers, and each of them acting alone, to solicit bids and/or proposals for such works and services for, and negotiate and execute all contracts, documents, instruments, and certificates as in such person's judgment may be necessary or desirable in connection with, the acquisition, management, and/or operation of the Property. The Authorized Officers (and each of them acting alone) are authorized on behalf of the Authority to cause the Authority to enter into such assignment and assumption agreements, and to make amendments to such agreements, as are necessary to properly evidence the transfer of the Property to the Authority and the assumption by the Authority of agreements pertaining to the Property.

Section 9. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person be taken by the duly authorized Deputy Executive Director of the Authority.

Section 10. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to: (i) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) 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 and/or further the acquisition and operation of the Property; (ii) cause the Authority to expend such funds as are necessary to pay for the acquisition price for the Property, and all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution; and (iii) notwithstanding any other Authority resolution, rule, policy, or procedure, 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. Severability. If any section, subsection, sentence, clause, phrase or work of this resolution should be held to be invalid or unconstitutional by a court or competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the constitutionality of any other section, subsection, sentence, clause, phrase or word of this resolution.

Section 12. Ratification. 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.

Section 13. 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 CITY OF EVERETT AT AN OPEN PUBLIC MEETING THIS  
16<sup>TH</sup> DAY OF DECEMBER, 2021.**

THE HOUSING AUTHORITY OF THE CITY OF  
EVERETT

By:   
\_\_\_\_\_

Chair

ATTEST:



\_\_\_\_\_  
Secretary

Exhibit A  
Legal Description of Property

Section 18 Township 28 Range 05 Quarter SE THAT PTN OF SW1/4 NE1/4 DAF BAAP ON E LN SD SW1/4 NE1/4 THAT BEARS N00\*48 20W 513.60FT FR SE COR THOF TH N79\*22 21W 97.55FT TH N17\*19 03W 3.91FT THN80\*45 43W 142.50FT TH N79\*22 21W 172.54FT TAP WH IS S79\*22 21E 5.34FT FR INT OF PROJ OF SELY BDY OFVETERANS MEMORIAL SECTION IN CYPRESS LAWN CEMETERY AS PER PLAT REC VOL 21 OF PLATS PG 59 REC SNO CO& WLY LN OF 18FT TEMPORARY DR AS SHOWN ON SD PLAT OF VETERANS MEMORIAL SEC ON CYPRESS LAWN CEMETERY TH N00\*10 05W PLW & 5.25FT ELY OF SD WLY LN 120.69FT TH S89\*49 55W 5.25FT TO SD WLY LN TH N00\*10 05W99.61FT TO SELY COR TH CERT TR CONVDYD TOROBERT D O'CONNOR ET AL BY INSTRUMENT REC AF NO 7602170028 TH CONT N00\*10 05W ALG SD WLY LN 1FT TH N89\*50 01W PLW S LNSD O'CONNOR PAR 147FT TH N00\*09 59E 2FTTH N89\*50 01W PLW S LN SD O'CONNOR PAR 138FT TH S83\*19 20W 25.17FT TO S LN OF SD O'CONNOR PAR TH N89\*50 01W 260.13FT TO SW COR OF SD O'CONNOR TR & ELY LN OF SNO CO NO 1 TRANSMISSION LN R/W TH SLY ALGA 2829.93FT RAD CRV TO L THRU C/A OF 10\*55 02 539.22FT (CHORD BEARS S03\*37 22W 538.40FT) TH S01\*50 09E 271.48FT TO S LN SD SW1/4 NE1/4 SEC 18 TH S89\*49 00E ALG SD S LN 75FT TO LN PLWSD ELY LN OF SNO CO PUD NO 1 TRANSMISSION LN R/W TH N01\*50 09W ALG SD PLL LN 125.05FT TH S89\*49 00E PLW SD S LN OF SW1/4 NE1/4 SD SEC 18 943.10FT TO E LN SD SW1/4 NE1/4 TH N00\*48 20W 388.61FT TO POB AKA PAR A OF COEBLA 2-91 REC AFN 9105220465 & 9105225003 LESS RD R/W TO COE PER SWD REC AFN 8907260272

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director and Secretary of the Housing Authority of the City of Everett (“the Authority”), and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 1523 (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority (the “Board”) as adopted at a special meeting of the Authority held on December 16, 2021 (the “Meeting”), and duly recorded in the minute books of the Authority;

2. That at least 24 hours before the time of the Meeting, written notice specifying the time and place of Meeting and the business to be transacted, a true and complete copy of which is attached as Attachment I, was provided as follows: (a) to all members of the Board by mail, fax, electronic mail, or personal delivery; (b) prominently displayed at the main entrance of the Authority’s office; and (c) posted on the Authority’s web site.

3. Written notice of the Meeting was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special, adjourned, or continued meetings and to any others to which such notices are customarily given by Authority;


4. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time;

5 The public was notified of access options for remote participation in the Meeting via the Authority’s website; and

6. The 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 the Meeting was given; that a quorum was present throughout the Meeting through telephonic and/or internet means of remote access, and a majority of the members of the Board 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 16<sup>th</sup> day of December, 2021.

HOUSING AUTHORITY OF THE CITY  
OF EVERETT

By:   
\_\_\_\_\_  
Executive Director and Secretary



**Attachment I**  
**Notice of Special Meeting**



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