

**KITSAP COUNTY CONSOLIDATED HOUSING AUTHORITY,  
dba HOUSING KITSAP**

**RESOLUTION 2026-21**

**RESOLUTION AUTHORIZING THE FORGIVENESS OF THE KITSAP APARTMENTS 2006 LP  
SPONSOR LOAN**

**WHEREAS**, Housing Kitsap issued a sponsor loan in the principal amount of \$7,226,765 (the “Loan”) to Kitsap Apartments 2006 Limited Partnership (the “Partnership”) to help fund, together with the sale of tax credits and the issuance of tax-exempt bonds, the acquisition and rehabilitation of Conifer Woods, Kingston Ridge, and Park Place apartments; and

**WHEREAS**, the initial tax credit investing partner has exited the Partnership, and Housing Kitsap is now represented both as the general partner and the limited partner; and

**WHEREAS**, the Loan was scheduled to be repaid from available cash flow with little likelihood of future repayment, and has not received a payment since it was executed; and

**WHEREAS**, the Loan matures on May 31, 2027, and has accrued at a rate of more than 5% annually to an amount of \$13,873,748.39 as of April 30, 2026; and

**WHEREAS**, the Partnership is a Component Unit, included in our aggregate financial audit (thus causing the Loan to be eliminated from our authority-wide financial statements); however, the Loan represents both a general fund asset and a Partnership liability of more than \$13 million; and

**WHEREAS**, the Housing Kitsap Board of Commissioners agrees that loan forgiveness in this instance makes good business sense and does not create a gift of public funds, as Housing Kitsap is now represented both as the general partner and the limited partner of the Kitsap Apartments partnership;

**NOW, AND THEREFORE, BE IT RESOLVED** that the Housing Kitsap Board of Commissioners hereby approves the forgiveness of the Loan, both its initial principal and its accrued interest, in an aggregate amount of \$13,873,748.39 as of April 30, 2026.

**ADOPTED** by the Housing Kitsap Board of Commissioners at an open public meeting this 26th day of May 2026.

**HOUSING KITSAP BOARD OF COMMISSIONERS**

By: Clarence Moriwaki  
Clarence Moriwaki, Chair

ATTEST: Heather Blough  
Heather Blough, Executive Director