

RESOLUTION NO. 99-005

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF MAY 06 1999

**VILLAS AT LA RIVIERA APARTMENTS (7901 La Riviera Drive):
AUTHORIZATION FOR THE ISSUANCE, SALE AND DELIVERY OF HOUSING AUTHORITY OF THE
CITY OF SACRAMENTO MULTIFAMILY HOUSING REVENUE BONDS (THE VILLAS AT LA
RIVIERA APARTMENTS PROJECT) 1999 ISSUE G, AUTHORIZATION FOR THE EXECUTION AND
DELIVERY OF THE BONDS, AN INDENTURE, A LOAN AND FINANCING AGREEMENT, A
REGULATORY AGREEMENT AND A PRIVATE PLACEMENT AGREEMENT, AUTHORIZING THE
TERMS OF A PERMANENT HOUSING AUTHORITY LOAN FOR THE PROJECT, AND APPROVING
OTHER RELATED DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE
BONDS**

WHEREAS, Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act") authorizes housing authorities to finance the acquisition, construction, rehabilitation and development of multifamily rental housing for persons and families meeting the income limitations contained in the Act;

WHEREAS, the Governing Board (the "Board") of the Housing Authority of the City of Sacramento (the "Authority") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to finance multifamily rental housing pursuant to the Act, in order to increase the supply of such housing in the Authority available to persons and families within the income limitations established by the Act;

WHEREAS, the Authority desires to assist in the financing of a 200 unit multifamily rental housing project, known as the Villas at La Riviera Apartments (the "Project"), pursuant to the Act and desires at this time to provide for the borrowing of money for such purpose through the issuance of and Multifamily Housing Revenue Bonds (The Villas at La Riviera Apartments Project) 1999 Issue G (the "Bonds") as authorized by the Act;

WHEREAS, the Bonds will be sold by the Authority to Municipal Mortgage and Equity, L.L.C. in a private placement pursuant to the terms of the Private Placement Agreement (defined herein);

WHEREAS, on May 6, 1999, the City Council of the City of Sacramento conducted a public hearing and approved the issuance of the Bonds, all as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and adopted a resolution approving the issuance of the Bonds;

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WHEREAS, subject to Section 7 hereof, all acts, conditions and things required by the Act, and by the Constitution and all other laws of the State of California, to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Bonds as contemplated by this Resolution and the documents referred to herein exist, have happened, and have been performed in including the Act, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the Bonds for the purposes, in the manner and upon the terms herein provided; and

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO FOLLOWS:

Section 1. Recitals of the Bonds. Pursuant to the Act and the Code, the Bonds are hereby authorized to be issued pursuant to the provisions of the Trust Indenture (the "Indenture"), between the City and the trustee set forth therein (the "Trustee"). The form of the Bonds as set forth in the Indenture is hereby approved. Each of the Chair of the Board, the Vice Chair of the Board or the Executive Director of the Authority (collectively, the "Authorized Officers") or their designees is hereby authorized to execute by manual or facsimile signature, and the Secretary of the Authority is hereby authorized to apply the manual or facsimile seal of the Authority and to attest by manual or facsimile signature the Bonds. The proceeds of the Bonds shall be used to make a loan to Affordable Community Housing Trust-Delta, or a related 501 (c)(3) corporation, (the "Borrower") to finance the Project.

The Bonds shall be limited obligations of the Authority, payable solely out of the Pledged Receipts (as defined under the Indenture) and the amounts in certain of the funds and accounts held under the Indenture. No holder of any Bonds shall have the right to compel any exercise of the taxing power of the Authority to pay the Bonds, the interest or redemption premium, if any, thereon, and the bonds shall not constitute an indebtedness of the Authority or a loan of credit of the Authority or the City within the meaning of any constitutional or statutory provision, nor shall the Bonds be construed to create any moral obligation on the part of the Authority or the City with respect to the payment of the Bonds.

Section 2. Approval of the Indenture. Each of the Authorized Officers and the Secretary of the Authority or the designee of any of them are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and delivery the indenture in substantially the form on file with the Secretary of the Authority, with such additions thereto or changes therein as are approved by such officers in consultation with Bond Counsel and the Counsel to the Authority, provided that such additions or changes shall not authorize an aggregate principal amount of Bonds in excess of \$8,850,000, the approval of such officers to be evidenced conclusively by the execution and delivery of such document.

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Section 3. Approval of the Loan Agreement. The proposed form of Loan and Financing Agreement (the "Loan Agreement"), between the Authority and the Borrower on file with the Secretary of the Authority is hereby approved. Each of the Authorized Officers or designee of any of them is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially said form, with such additions thereto or approved by such officers in consultation with Bond Counsel and the Counsel to the Authority, the approval of such officers to be evidenced conclusively by the execution and delivery of such document. Each of the Authorized Officers are further authorized to execute an Assignment of Note assigning the Promissory Note, which secures obligations of the Borrower under the Loan Agreement, to the Trustee.

Section 4. Approval of the Regulatory Agreement. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), among the Authority, the Trustee and the Borrower on file with the Secretary of the Authority is hereby approved. Each of the Authorized Officers and the Secretary of the Authority or the designee of any of them is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and delivery the Regulatory Agreement in substantially said form, with such additions thereto or approved by such officers, in consultation with Bond Counsel and the Secretary of the Authority, the approval of such officers to be evidenced conclusively by the execution and delivery of such document.

Section 5. Approval of the Private Placement Agreement. The proposed form of Private Placement Agreement (the "Private Placement Agreement"), among the Authority, the Borrower and the Municipal Mortgage and Equity, L.L.C. on file with the Secretary to the Authority is hereby approved. Each of the Authorized Officers or the designee of any of them is hereby authorized and directed, for and in the name and on behalf of the Secretary to the Authority, to agree to sell the bonds pursuant to the terms contained in the Private Placement Agreement.

Section 6. Conditions to Issuance. Notwithstanding anything set forth herein to the contrary, the Authority shall not issue the Bonds or loan the proceeds thereof to the Borrower until such time as the Executive Director of the Authority determines that the rehabilitation plan and rehabilitation budget for the Project, comply with the Authority's guidelines and policies.

Section 7. Other Actions, All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the issuance and sale of the Bonds are hereby approved, confirmed and ratified. Upon approval of Bond Counsel, the proper officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those described in the Indenture, the Loan Agreement, the Regulatory Agreement, the Private Placement Agreement and the other documents herein approved (including instructing the Trustee to authenticate the Bonds and to pay the costs of issuing the bonds in accordance with the provisions of the Indenture) which they, or any of them, may deem necessary or advisable in

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order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution. The Board hereby approves of the investment of Bond proceeds in guaranteed investment contracts with providers whose credit rating is at least in the second highest rating category of Moody's Investors Service and Standard & Poor's Ratings Services.

Section 8. Immediate Effect. This Resolution shall take effect immediately upon its adoption.



Handwritten signature of the Mayor, with the word "CHAIR" printed below it.

ATTEST:



Handwritten signature of Melina A. Burrows, with the word "SECRETARY" printed below it.

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