

RESOLUTION NO. 2019-0007

Adopted by the Housing Authority of the City of Sacramento

April 23, 2019

Victory Trio: Authorizing the Issuance of Multifamily Housing Revenue Bonds in an Aggregate Principal Amount Not to Exceed \$14,000,000 for the Financing of a Multifamily Rental Housing Project to be Generally Known as Victory Trio Apartments; Authorizing the Execution and Delivery of a Master Agency Agreement, a Master Pledge and Assignment, a Form of Regulatory Agreement and Declaration of Restrictive Covenants and Other Documents Relating Thereto; and Approving Other Actions and Matters Relating Thereto

BACKGROUND

- A. The Housing Authority of the City of Sacramento (the "Authority") is authorized by Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (commencing with Section 34200) (the "Statute") to issue and sell revenue obligations for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Statute.
- B. The governing board of the Authority (the "Board") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to finance multifamily housing projects pursuant to the Statute, in order to increase and maintain the supply of multifamily housing in the City of Sacramento (the "City") available to persons and families within the income limitations established by the Statute.
- C. The proceeds of such obligations issued by a housing authority may be loaned to a nongovernmental owner of multifamily housing, who shall be responsible for the payment of such obligations, to allow such nongovernmental owner to reduce the cost of operating such housing and to assist in providing housing for low and very low income persons.
- D. Victory Trio Mutual Housing Associates, L.P., a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested the Authority issue its Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Victory Trio Apartments) 2019 Issue A-1 (the "Series A-1 Bonds") and its Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds Housing Revenue Bonds (Victory Trio Apartments) 2019 Issue A-2 (the "Series A-2 Bonds" and together with the Series A-1 Bonds, the "Bonds") and loan the proceeds thereof to the

Borrower to finance the acquisition and rehabilitation of a 91-unit multifamily rental housing development, located in the City on two sites (each, a “Project Site”), and commonly known as Victory Trio Apartments (collectively with each Project Site, the “Project”).

- E. On January 16, 2019, the Authority received an allocation in the amount of \$12,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project.
- F. The City Council of the City has, by resolution, approved the issuance of the Bonds by the Authority, following notice and a public hearing as required by 26 United States Code (USC) Section 147(f) of the Internal Revenue Code of 1986, as amended.
- G. The Authority is willing to issue the Bonds in an aggregate principal amount not to exceed \$14,000,000, provided that the portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for persons of low and very low income.
- H. The Bonds will be privately placed to JPMorgan Chase Bank, N.A. (the “Lender”), as the initial holder of the Bonds, in accordance with the Authority’s policies.
- I. There have been prepared and made available to the Board the following documents required for the issuance of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:
 - (1) Master Agency Agreement (the “Agency Agreement”) to be entered into between the Lender, as agent (the “Agent”) and the Authority;
 - (2) The Master Pledge and Assignment (the “Master Pledge and Assignment”) to be entered into between the Authority and the Lender, as Agent and holder; and
 - (3) A form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into between the Authority and the Borrower, with respect to each Project Site.
- J. The Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Statute.
- K. All conditions, items and acts required 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 will exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Statute.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The Authority hereby finds and declares that the above recitals are true and correct.
- Section 2. Pursuant to the Statute and the Master Pledge and Assignment, issuance of the Bonds designated as “Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Victory Trio Apartments) 2019 Issue A-1,” and “Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Victory Trio Apartments) 2019 Issue A-2,” is hereby authorized, including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$14,000,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount.
- Section 3. The Bonds shall be executed and delivered in the form set forth in and otherwise in accordance with the Master Pledge and Assignment, and shall be executed on behalf of the Authority by the manual or facsimile signature of the Chairperson or Executive Director of the Authority, or their designee, each acting alone (each an “Authorized Officer”), with such changes, deletions and insertions as may be approved by such Authorized Officers and legal counsel to the Authority, such approvals being conclusively evidenced by the execution and delivery thereof, and the Clerk of the Sacramento Housing and Redevelopment Agency or such designee (the “Clerk”) is hereby authorized and directed, if required, to attest the Bonds in said form by manual or facsimile signature thereof. The Bonds shall be secured in accordance with the terms of the Master Pledge and Assignment presented to this meeting, as hereinafter approved.
- Section 4. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Master Pledge and Assignment, and the Bonds shall not be deemed to constitute a debt or liability of the Authority, the City of Sacramento, the Sacramento Housing and Redevelopment Agency or any commissioners of the Board.
- Section 5. The Master Pledge and Assignment in the form on file with the Clerk, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Authority to execute by manual signature and deliver the Master Pledge and Assignment with such changes, additions or deletions as may be approved by such Authorized Officer and legal counsel to the Authority, such approvals to be conclusively evidenced by the execution and delivery thereof.

The date, maturity date or dates (which shall not be more than 45 years from the date of issuance thereof), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Master Pledge and Assignment as finally executed.

- Section 6. The Agency Agreement in the form on file with the Clerk, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Authority to execute by manual signature and deliver the Agency Agreement with such changes, additions and deletions as may be approved by such Authorized Officer and legal counsel to the Authority, such approvals to be conclusively evidenced by the execution and delivery thereof.
- Section 7. The Regulatory Agreement for each Project Site in the form on file with the Clerk, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Authority to execute by manual signature and deliver the Regulatory Agreement with such changes, additions or deletions as may be approved by such Authorized Officer and legal counsel to the Authority, such approvals to be conclusively evidenced by the execution and delivery thereof.
- Section 8. The Authority is hereby authorized to execute and deliver the Bonds to the Lender pursuant to the terms and conditions of the Master Pledge and Agreement.
- Section 9. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Officer, which any Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price thereof.
- Section 10. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project, the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority, including the Authorized Officers, 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 any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful sale and issuance of the Bonds in accordance with this Resolution, including, but not limited to, a tax certificate, loan related

documents, one or more subordination or intercreditor agreements, any endorsement and/or assignment of deed of trust, an endorsement, allonge or assignment of any note, those certain certificates, agreements and other documents described in the Master Pledge and Assignment and the Regulatory Agreement and such other documents herein approved.

Section 11. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds or prepayment of the Bonds, may be given or taken by any Authorized Officer, as appropriate, without further authorization by the Board, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided that such action shall not create any obligation or liability of the Authority other than as provided in the Master Pledge and Assignment and other documents approved herein.

Section 12. This Resolution shall take effect immediately upon its adoption.

Adopted by the Housing Authority of the City of Sacramento on April 23, 2019, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: Member Schenirer

Attest by Secretary:

Mindy Cuppy Digitally signed by Mindy Cuppy
Date: 2019.04.29 17:29:52
-07'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Housing Authority.