

RESOLUTION NO. 2018-0017

Adopted by the Housing Authority of the City of Sacramento

October 23, 2018

Imperial Tower Project: A Resolution of the Housing Authority of the City of Sacramento Authorizing the Issuance of Multifamily Housing Revenue Bonds in an Aggregate Principal Amount not to Exceed \$38,000,000 for the Financing of a Multifamily Rental Housing Project to be Generally known as Imperial Tower Project; Authorizing the Execution and/or Delivery of an Indenture, a Loan Agreement, a Regulatory Agreement and Declaration of Restrictive Covenants, a Bond Purchase Agreement and an Official Statement and Other Documents Relating Thereto; and Approving Other Actions and Matters Relating Thereto

BACKGROUND

- A. The Housing Authority of the City of Sacramento (Housing Authority) is authorized by Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (commencing with Section 34200) (Act) 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 Act.
- B. The governing board of the Authority (Board) hereby finds and declares that it is necessary, essential and a public purpose for the Housing Authority to finance multifamily housing projects pursuant to the Act, in order to increase and maintain the supply of multifamily housing in the City of Sacramento (City) available to persons and families within the income limitations established by the Act.
- 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. Vallejo Imperial Venture LP, a California limited partnership, and entities related thereto (collectively, Borrower), has requested the Housing Authority issue its Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Imperial Tower Project) 2018 Issue C (Bonds) and loan the proceeds thereof to the Borrower to finance the acquisition and rehabilitation of a 187-unit multifamily rental housing development located in the City, and to be commonly known as Imperial Tower Project (Project).

- E. On October 17, 2018, the Authority received an allocation in the amount of \$35,000,000 (Allocation) from the California Debt Limit Allocation Committee in connection with the Project.
- F. The Board has, by resolution, approved the issuance of the Bonds by the Housing Authority, following notice and a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended.
- G. The Housing Authority is willing to issue the Bonds in an aggregate principal amount not to exceed \$38,000,000, 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 financing 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. 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) Trust Indenture (Indenture) to be entered into between Wilmington Trust, National Association, as trustee (the Trustee) and the Housing Authority;
 - (2) Loan Agreement (Loan Agreement) to be entered into between the Housing Authority and Borrower;
 - (3) Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement) to be entered into among the Housing Authority, the Trustee and the Borrower, with respect to the Project;
 - (4) Bond Purchase Agreement (Purchase Agreement), to be entered into among the Housing Authority, the Borrower, and Citigroup Global Markets Inc., as underwriter of the Bonds (Underwriter);
 - (5) Official Statement (Official Statement), to be used in connection with the offer and sale of the Bonds.
- I. The Housing Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act.
- J. 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 Act.

- K. Pursuant to California Government Code Section 5852.1, the Housing Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates which are included in an attachment to the staff report.
- L. The project was found to be categorically excluded under the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations (CCR) Section 15301.

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

- Section 1. The Authority hereby finds and declares that the above recitals are true and correct.
- Section 2. Pursuant to the Act and the Indenture, the issuance of the Bonds designated as “Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Imperial Tower Project) 2018 Issue C,” 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 \$38,000,000; 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 Indenture, and shall be executed on behalf of the Housing Authority by the manual or facsimile signature of the Executive Director of the Housing 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 Housing 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 (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 Indenture 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 Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Housing Authority, the City of

Sacramento, the Sacramento Housing and Redevelopment Agency or any member of the Board.

- Section 5. The Indenture, 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 Housing Authority to execute by manual signature and deliver the Indenture with such changes, additions or deletions as may be approved by such Authorized Officer and legal counsel to the Housing 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 Indenture as finally executed.
- Section 6. The Loan 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 Housing Authority to execute by manual signature and deliver the Loan Agreement with such changes, additions and deletions as may be approved by such Authorized Officer and legal counsel to the Housing Authority, such approvals to be conclusively evidenced by the execution and delivery thereof.
- Section 7. The Regulatory 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 Housing 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 Housing Authority, such approvals to be conclusively evidenced by the execution and delivery thereof.
- Section 8. The Housing Authority is hereby authorized to sell the Bonds to the Underwriter pursuant to the terms and conditions of the Purchase Agreement. The form, terms and provisions of the Purchase Agreement in the form presented at this meeting are hereby approved. Any Authorized Officer, acting alone, is authorized to execute by manual signature and deliver the Purchase Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are hereby approved by legal counsel to the Housing Authority, such approval to be conclusively evidenced by the delivery thereof.

- Section 9. The form, terms and provisions of the Official Statement in the preliminary form presented at this meeting are hereby approved. The Board hereby approves the distribution of the Official Statement in preliminary form to prospective purchasers of the Bonds and the delivery of the Official Statement in final form, in substantially the form of the preliminary Official Statement, to the purchasers of the Bonds. Any Authorized Officer, acting alone, is authorized to certify on behalf of the Housing Authority that the preliminary Official Statement, as to the sections therein related directly to the Housing Authority is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.
- Section 10. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Underwriter, in accordance with written instructions executed and delivered on behalf of the Housing Authority by an Authorized Officer, which any Authorized Officer, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Underwriter in accordance with the Purchase Agreement upon payment of the purchase price thereof.
- Section 11. To the extent required for the investment of moneys held under the Indenture, the Trustee is hereby authorized and directed to file such applications and other documents as may be required to order and obtain U.S. Treasury Obligations-State and Local Government Series.
- Section 12. All actions heretofore taken by the officers and agents of the Housing Authority with respect to the financing of the Project and 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 Housing 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 of the Bonds and the investment of moneys held under the Indenture, in accordance with this Resolution, including but not limited to a tax certificate and such other documents as described in the Indenture, the Purchase Agreement, and the other documents herein approved.
- Section 13. 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, 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 such action shall not create any obligation or liability of the Housing Authority other than as provided in the Indenture and other documents approved herein.

Section 14. This Resolution shall take effect immediately upon its adoption.

Adopted by the Housing Authority of the City of Sacramento on October 23, 2018, by the following vote:

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

Noes: None

Abstain: None

Absent: Members Carr and Harris

Attest by Secretary:

Mindy Cuppy Digitally signed by Mindy Cuppy
Date: 2018.11.01 07:59:22 -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.