

RESOLUTION NO. RES-2017-191

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING THE SALE, EXECUTION AND DELIVERY OF THE CITY OF SANTA ROSA 2017 MULTIFAMILY HOUSING REVENUE NOTE (THE CROSSINGS ON ASTON APARTMENTS), AUTHORIZING THE EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT, A BORROWER LOAN AGREEMENT AND A REGULATORY AGREEMENT, AND AUTHORIZING THE EXECUTION AND DELIVERY OF AND APPROVING OTHER RELATED DOCUMENTS AND APPROVING OTHER RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"), authorizes cities to incur indebtedness for the purpose of financing the acquisition, construction, rehabilitation and development of multifamily rental housing facilities to be occupied in part by persons of low- and very low-income; and

WHEREAS, the City of Santa Rosa (the "City") hereby finds and declares that it is necessary, essential and a public purpose for the City to engage in a program (the "Program") of financing the acquisition, construction, rehabilitation and development of multifamily rental housing facility, and has determined to borrow money for such purpose by the issuance of revenue bonds and notes as authorized by the Act; and

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

WHEREAS, UHC 00596 Santa Rosa, L.P., a California limited partnership (the "Borrower") has requested that the City issue and sell the Note (hereinafter defined) for the purpose of financing the acquisition, construction and development of a 27-unit multifamily rental housing facility, to be located in the City of Santa Rosa, California, at 1500-1555 John Richards Way (formerly 706-708 Aston Avenue) (the "Project"); and

WHEREAS, there has been presented to the Council of the City the following relating to the Note and the loan of the proceeds thereof to the Borrower:

- (1) A proposed form of Funding Loan Agreement (the "Funding Loan Agreement"), including the form of Government Lender Note attached thereto, to be entered into by the City and Citibank, N.A. (the "Funding Lender");
- (2) A proposed form of Borrower Loan Agreement (the "Borrower Loan Agreement") to be entered into by the City and Borrower;
- (3) A proposed form of Regulatory Agreement and Declaration of Restrictive Covenants to be entered into by the City and Borrower;

(4) A proposed form of Assignment of Deed of Trust and Loan Documents (the "Assignment of Deed of Trust") to be made by the City for the benefit of the Funding Lender;

(5) A proposed form of Multifamily Note (the "Borrower Note") to be made by the Borrower for the benefit of the City and assigned by the City to the Funding Lender; and

(6) A proposed form of Contingency Draw-Down Agreement (the "Draw-Down Agreement") to be entered into by the Funding Lender and the Borrower; and

WHEREAS, on June 6, 2017, this Council held a public hearing on the proposed issuance of tax exempt obligations for the Project, as required under the Internal Revenue Code of 1986, following published notice of such hearing, and thereafter, on June 6, 2017, this Council, as the "applicable elected representative" of the City, approved the issuance of tax exempt obligations pursuant to Council Resolution No. Res-2017-089; and

WHEREAS, the California Debt Limit Allocation Committee adopted Resolution No. 17-63 on July 19, 2017, awarding the City a private activity volume cap allocation of \$7,105,000 to be used for the Project; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Note and the implementation of the Program as contemplated by this resolution and the documents referred to herein 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.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Santa Rosa, as follows:

Section 1. The Council hereby finds and declares that the above recitals are true and correct.

Section 2. Pursuant to the Act and the Funding Loan Agreement, the execution and delivery of the City of Santa Rosa 2017 Multifamily Housing Revenue Note (The Crossings on Aston Apartments) (the "Note"), in the maximum aggregate principal amount of not to exceed \$7,105,000, is hereby authorized. The Mayor, the City Manager and the Chief Financial Officer of the City (each, a "Designated Officer") are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the City, to execute the Note for and on behalf of the City by manual or facsimile signature, in the form set forth in the Funding Loan Agreement, with such changes, deletions and insertions as may be approved by the Designated Officers and Jones Hall, a professional law corporation as bond counsel for the City (the "Bond Counsel"), such approvals being conclusively evidenced by the execution and delivery thereof, provided that the final maturity date of the Note shall be more than 40 years from the date of issuance thereof. The Note, when executed, shall be delivered to or upon the

order of the City. Notwithstanding the foregoing, the Note may be issued in more than one series.

Section 3. The Funding Loan Agreement, in substantially the form on file with the City Clerk, is hereby approved. The Designated Officers, each acting alone, are hereby authorized for and on behalf of the City to execute and deliver the Funding Loan Agreement with such changes, additions or deletions as may be approved by a Designated Officer and Bond Counsel, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Borrower Loan Agreement, in substantially the form on file with the City Clerk, is hereby approved. The Designated Officers, each acting alone, are hereby authorized for and on behalf of the City to execute and deliver the Borrower Loan Agreement with such changes, additions or deletions as may be approved by a Designated Officer and Bond Counsel, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Regulatory Agreement, in substantially the form on file with the City Clerk, is hereby approved. The Designated Officers of the City, each acting alone, are hereby authorized for and on behalf of the City, to execute and deliver the Regulatory Agreement with such changes, additions or deletions as may be approved by a Designated Officer and Bond Counsel, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Assignment of Deed of Trust, in substantially the form on file with the City Clerk, is hereby approved. The Designated Officers of the City, each acting alone, are hereby authorized for and on behalf of the City, to execute and deliver the Assignment of Deed of Trust with such changes, additions or deletions as may be approved by a Designated Officer and Bond Counsel, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Draw-Down Agreement, in substantially the form on file with the City Clerk, is hereby approved, and the City hereby consents to the terms thereof, with such changes, additions or deletions as may be approved by a Designated Officer and Bond Counsel.

Section 8. All actions heretofore taken by the officers and agents of the City with respect to the financings contemplated by this Resolution, the Program and the sale and issuance of the Note are hereby approved, confirmed and ratified, and the Designated Officers, are hereby authorized, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements, assignments, notes and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note in accordance with this Resolution and resolutions heretofore adopted by the City and in order to carry out the proposed financing and the Program, including but not limited to those certificates, agreements, assignments, notes and other documents described in the Funding Loan Agreement, the Regulatory Agreement and the other documents herein approved and any certificates, agreements, assignments, notes or documents as may be necessary to further the purposes hereof, but which shall not create any obligation or liability of the City other than with respect to the revenues and assets derived from the proceeds of the Note and the Borrower Note.

Section 9. This Resolution shall take effect immediately upon its adoption.

IN COUNCIL DULY PASSED this 19th day of September, 2017.

AYES: (6) Mayor Coursey, Vice Mayor Tibbetts, Council Members Combs, Rogers,
Sawyer, Schwedhelm

NOES: (0)

ABSENT: (1) Council Member Olivares

ABSTAIN: (0)

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM:

City Attorney