

RESOLUTION NO.

RESOLUTION OF THE CHULA VISTA HOUSING AUTHORITY AUTHORIZING THE ISSUANCE OF ITS TAX-EXEMPT MULTIFAMILY HOUSING REVENUE NOTE AND ITS JUNIOR MULTIFAMILY HOUSING REVENUE BONDS IN A CUMULATIVE AND AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$19,400,000 AND ITS TAXABLE MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,200,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION AND CONSTRUCTION OF THE DUETTA APARTMENT HOMES MULTIFAMILY RENTAL HOUSING PROJECT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY AND ALL DOCUMENTS NECESSARY TO ISSUE THE NOTES AND BONDS, COMPLETE THE TRANSACTION AND IMPLEMENT THIS RESOLUTION, AND RATIFYING AND APPROVING ANY ACTION HERETOFORE TAKEN IN CONNECTION WITH THE BONDS

WHEREAS, pursuant to the Housing Authorities Law, Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (“Housing Authorities Law”), the Chula Vista Housing Authority, a public body corporate and politic organized, existing and operating pursuant to the Housing Authorities Law, the Chula Vista Housing Authority (the “Authority”) is empowered to issue revenue bonds for the purpose of financing the acquisition, construction, rehabilitation, refinancing, development, and operation of multifamily rental housing; and

WHEREAS, F Street Family CIC, LP, a California limited partnership (the “Developer”), intends to acquire and construct a 86-unit plus one manager unit project known as “Duetta Apartment Homes” on that certain real property located at Otay Ranch, in the City of Chula Vista, California (the “Project”); and

WHEREAS, the Developer has requested Authority to issue tax-exempt multifamily housing revenue notes (the “Tax-Exempt Governmental Lender Note”) and taxable multifamily housing revenue notes (the “Taxable Governmental Lender Note,” and, together with the Tax Exempt Governmental Lender Note, the “Governmental Lender Notes”) and tax-exempt multifamily housing revenue bonds subordinate to the Governmental Lender Notes (the “Tax Exempt Junior Bonds,” and, together with the Governmental Lender Notes, the “Obligations”), and to loan the proceeds of the Obligations to the Developer to finance the acquisition, construction and equipping of the Project, and

WHEREAS, taken together, the aggregate principal amount of the Tax Exempt Governmental Lender Note and the Tax Exempt Junior Bonds (the “Tax Exempt Obligations”) shall not to exceed \$19,400,000 and the aggregate principal amount of the Taxable Governmental Lender Note shall not exceed \$1,200,000; and

WHEREAS, Authority, by action of its Board of Commissioners (the “Board”), desires to assist the Developer and to increase the supply of affordable housing by making a portion of the units in the Project available for low and very low income persons or families, and in order to accomplish such purposes it is desirable for Authority to provide for the issuance of the Obligations and financing of the Project; and

WHEREAS, the Authority intends to enter into a Funding Loan Agreement, by and between the Authority and Citibank, N.A. (the “Funding Lender”), dated as of March 1, 2016 (the “Funding Loan Agreement”), whereby the Funding Lender will make a loan to the Authority (the “Funding Loan”) which the Authority will loan to the Borrower (the “Borrower Loan”) pursuant to that certain Borrower Loan Agreement, to be entered into by and between the Authority and the Borrower, dated as of March 1, 2016 (the “Borrower Loan Agreement”) to provide financing to acquire, construct and equip the Project; and

WHEREAS, pursuant to the Funding Loan Agreement, the Authority intends to execute and deliver to the Funding Lender the Governmental Lender Notes evidencing its obligation to make the payments due to the Funding Lender under the Funding Loan as provided in this Funding Loan Agreement; and

WHEREAS, the Authority’s obligation to repay the Governmental Lender Notes shall be limited solely to the multifamily notes executed and delivered by the Borrower to the Authority (the “Borrower Notes”) and other moneys and security pledged under the Funding Loan Agreement and Borrower Loan Agreement; and

WHEREAS, the Junior Bonds will be issued pursuant to the Junior Indenture of Trust, by and between the Authority and U.S. Bank National Association, as trustee for the Junior Bonds, dated as of March 1, 2016 (the “Junior Indenture”), and loan the proceeds of the Junior Bonds to the Developer pursuant to the Junior Loan Agreement, by and between the Authority and the Developer, dated as of March 1, 2016 (the “Junior Loan Agreement”); and

WHEREAS, the Authority will loan the proceeds of the Obligations to the Borrower and the Borrower will use the proceeds of the Obligations exclusively to finance the costs of acquisition, construction and equipping of the Project and the costs of issuing the Obligations; and

WHEREAS, Government Code Section 8869.85 requires a local agency to file an application with the California Debt Limit Allocation Committee (“Committee”) prior to the issuance of tax-exempt multifamily housing revenue notes and bonds and the Authority has filed such an application; and

WHEREAS, the Committee has allocated to the Project \$19,400,000 of the State of California 2015 State ceiling for private activity bonds or notes under Section 146 of the Internal Revenue Code of 1986; and

WHEREAS, it is the intent of the Authority to enter into bond documentation to govern the Obligations to be issued (collectively, the “Transaction Documents”), including: (1) the Funding Loan Agreement; (2) the Borrower Loan Agreement; (3) a regulatory agreement and declaration of restrictive covenants, by and between the Authority and the Borrower, dated as of March 1, 2016 (the “Regulatory Agreement”), (4) the Junior Indenture, and (5) the Junior Loan Agreement; and

WHEREAS, it appears that each of the documents and instruments described herein now before this meeting is in a substantially appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE CHULA VISTA HOUSING AUTHORITY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

1. Authorization of Obligations. In accordance with the Housing Authorities Law and pursuant to the Funding Loan Agreement, Authority authorizes issuance of notes and bonds designated as “Chula Vista Housing Authority Multifamily Housing Revenue Note (Duetta Apartment Homes) Series 2016A-1” and “Chula Vista Housing Authority Junior Multifamily Housing Revenue Bonds (Duetta Apartment Homes) Junior Series 2016A-3” in a cumulative and aggregate principal amount not to exceed \$19,400,000, and authorizes the issuance of notes designated as “Chula Vista Housing Authority Multifamily Housing Revenue Note (Duetta Apartment Homes) Taxable Series 2016A-2” (collectively, the “Obligations”), with an interest rate or rates, a maturity date or dates and other terms as provided in the Funding Loan Agreement and Junior Indenture, respectively, as finally executed for the Obligations. The Governmental Lender Notes and the Junior Bonds shall be in substantially the form set forth in and otherwise in accordance with the Funding Loan Agreement and Junior Indenture, respectively, and shall be executed on behalf of Authority by the manual or facsimile signature of the Chair of the Board of Commissioners of the Authority (the “Chair”) or the Executive Director of the Authority (the “Executive Director”), and the Obligations shall be attested by the manual or facsimile signature of the Secretary of the Board of Commissioners of the Authority (“Secretary”).

2. Approval of Transaction Documents. The form of each of the Transaction Documents, in substantially the form on file with the Secretary, is hereby approved. The Chair, the Executive Director, and their authorized designee(s) (each, an “Authorized Officer”) are authorized to execute, and the Secretary is authorized to attest, each of the Transaction Documents in substantially said form, with such additions thereto and changes therein as the Authorized Officer may approve or recommend in accordance with Section 4 hereof. The date, maturity date or dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption, and other terms of the Obligations shall be as provided in the Funding Loan Agreement and Junior Indenture as finally executed.

3. Approval of Loan Documents. Any Authorized Officer is authorized to execute and deliver, and the Secretary is authorized to attest, any and all certificates, agreements and other documents ancillary to the Transaction Documents in the forms approved by the City Attorney, as general counsel to Authority (“General Counsel”), and by special counsel and bond counsel to the Authority and City on these matters, Stradling Yocca Carlson & Rauth (together, “Special Counsel”).

4. Approval of Changes to Documents. Any Authorized Officer executing a document approved herein, in consultation with General Counsel and Special Counsel, is authorized to approve and make such modifications, changes or additions to Transaction Documents or other documents as may be necessary or advisable, and the approval of any modification, change or addition to any of the aforementioned agreements shall be evidenced conclusively by the execution and delivery thereof by such Authorized Officer and approval as to form by General Counsel and Special Counsel. Further, any Authorized Officer, acting alone, is authorized to execute any assignment agreement related to any mortgage note, mortgage, deed of trust or other document related to the loans made to the Developer from the proceeds of the Obligations.

5. Actions Ratified and Authorized. All actions heretofore taken by the officers, employees and agents of Authority with respect to the issuance and sale of the Obligations are approved, confirmed and ratified, and the officers, employees and agents of Authority are authorized and directed, for and in the name and on behalf of 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 documents described in the Transaction Documents and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Obligations and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Board. In the event that the Secretary is unavailable to sign any document related to the Obligations, any Deputy Secretary of the Authority may sign on behalf of the Secretary.

6. Further Consents, Approvals and Other Actions. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution or otherwise appropriate in the administration of the Obligations and the lending program financed thereby, including without limitation any of the foregoing that may be necessary or desirable in connection with any amendment of such documents, any transfer of the Project, any substitution of security for the Obligations, or any redemption of the Obligations may be taken or given by the Chair or the Executive Director, and the Chair or the Executive Director are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this Resolution.

7. Conflicting Resolutions Repealed. As to the Obligations, all prior resolutions or parts thereof, if any, in conflict herewith are, to the extent of such conflict, repealed.

8. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any remaining sections, paragraphs or provisions of this Resolution.

9. Effectiveness of Resolution and Date Thereof. This Resolution shall take effect upon its adoption.

10. Certification. The Secretary shall certify to the passage and adoption of this Resolution.

Presented by:

Approved as to form by:

Kelly Broughton, FASLA
Development Services Director

Glen R. Googins
City Attorney

The foregoing Resolution was passed and adopted by the Board of Commissioners of the Chula Vista Housing Authority, California, this 8th day of March, 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

Mayor

ATTEST:

Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

I, _____, Secretary of the Chula Vista Housing Authority, California, hereby certify that the above and foregoing Resolution was duly and regularly adopted by the Board of Commissioners at a regular meeting thereof held on the 8th day of March, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 8th day of March, 2016.

Secretary of the Housing Authority of the City of
Chula Vista, California