

RESOLUTION NO. 2022-0011

Adopted by the Housing Authority of the City of Sacramento

June 14, 2022

Central City II (RAD 3) – Big Trees, Pine Knoll and Riverview Plaza (Project): a Resolution of the Housing Authority of the City of Sacramento Declaring Intention to Reimburse Expenditures From the Proceeds of Tax-Exempt Obligations and Directing Certain Actions

BACKGROUND

- A. The Housing Authority of the City of Sacramento (the "Authority") intends to issue tax-exempt obligations (the "Obligations") for the purpose, among other things, of making a loan to a partnership or a limited liability company related to or formed by Sacramento Housing Authority Repositioning Program, Inc. (SHARP), or related entity (the "Developer"), the proceeds of which shall be used by the Developer to finance the acquisition, rehabilitation and development of the following multifamily housing residential facilities: (1) Big Trees Apartments, 2512- 2516 H Street, Sacramento, California, consisting of 29 units (Obligation proceeds in an amount not to exceed \$10 million), (2) Pine Knoll Apartments, 917 38th Street, Sacramento, California, consisting of 30 units (Obligation proceeds in an amount not to exceed \$10 million), and (3) Riverview Plaza Apartments, 600 I Street, Sacramento, California, consisting of 123 units (Obligation proceeds in an amount not to exceed \$37 million), (the "Project").
- B. United States Income Tax Regulations section 1.150-2 generally provides that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer must declare an intention to reimburse such expenditure.
- C. It is in the public interest and for the public benefit that the Authority declares its official intent to reimburse the expenditures referenced herein.
- D. The disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorically Exempt under California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, "Existing Facilities".
- E. The disposition and rehabilitation of the identified properties under the RAD program have been found to be Categorically Excluded under the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.35(a)(3)(ii) and (5), and convert to exempt pursuant to 24 CFR 58.34(a)(12).

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

- Section 1. The Authority intends to issue the Obligations for the purpose of paying the costs of financing the acquisition, rehabilitation, and development of the Project.
- Section 2. The Authority hereby declares that it reasonably expects that a portion of the proceeds of the Obligations will be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations.
- Section 3. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, rehabilitation, and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$57 million.
- Section 4. The foregoing declaration is consistent with the budgetary and financial circumstances of the Authority in that there are no funds (other than proceeds of the Obligations) that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the Authority, or any public entity controlled by the Authority, for the expenditures for the acquisition, rehabilitation, and development of the Project that are expected to be reimbursed from the proceeds of the Obligations.
- Section 5. The Developer shall be responsible for the payment of all present and future costs in connection with the issuance of the Obligations, including, but not limited to, any fees and expenses incurred by the Authority in anticipation of the issuance of the Obligations, any fees required by the California Debt Limit Allocation Committee ("CDLAC") the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Obligations. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Developer. The Obligations shall not constitute a debt or obligation of the Authority.
- Section 6. The appropriate officers or the staff of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to make an application to CDLAC for an allocation of private activity bonds for the financing of the Project.

Section 7. The adoption of this Resolution shall not obligate (i) the Authority to provide financing to the Developer for the acquisition, rehabilitation, and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the Authority, of or any department of the Authority or the City of Sacramento to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.

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

Adopted by the Housing Authority of the City of Sacramento on June 14, 2022, by the following vote:

Ayes: Members Ashby, Guerra, Harris, Jennings, Loloee, Schenirer, Valenzuela, Vang, and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest by Secretary:



06/20/2022

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.