

**RESOLUTION NO. \_\_\_\_\_****A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA SETTING FORTH THE AUTHORITY'S OFFICIAL INTENT TO INCUR A TAX-EXEMPT OBLIGATION IN ORDER TO FINANCE THE ACQUISITION AND REHABILITATION OF SHIFCO AND VILLA LA CUMBRE, AND AUTHORIZING RELATED ACTIONS**

WHEREAS, the Housing Authority of the City of Santa Barbara (the "Authority") is authorized by Chapter 1 (commencing with Section 34200) of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Act") to incur indebtedness and to make loans for the purpose of financing the acquisition and rehabilitation of multifamily rental housing facilities located within the area of operation of the Authority; and

WHEREAS, the Authority is the fee title owner of a 107 unit senior apartment complex located at 401-419 Santa Fe Place, 1433-1443 La Vista Del Oceano and 1420, 1422, 1424, 1426, 1428 and 1430 Cliff Drive, all in the City of Santa Barbara (the "City") commonly known collectively as SHIFCO, and a 60 unit senior apartment complex located at 521 No. La Cumbre Road in the City commonly known as Villa La Cumbre (collectively, the "Projects"); and

WHEREAS, on April 4, 2012, the Members of the Authority adopted Resolution No. 2482, pursuant to which the Authority expressed its intent to enter into agreements necessary to sell, for the purpose of recapitalizing and rehabilitating the Projects multifamily housing revenue bonds or otherwise incur indebtedness (referred to in this Resolution as the "Bonds") and to lend the proceeds of the Bonds to a limited partnership to be established by the Authority (the "Borrower") that will acquire and rehabilitate the Projects; and

WHEREAS, the Authority, in the course of assisting the Borrower in financing the Projects, expects that the Borrower, once it is formed, may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects prior to the date of issuance of the Bonds; and

WHEREAS, Section 1.150-2 of the United States Treasury Regulations (the "Treasury Regulations") requires that the Authority declare its official intent to reimburse the Reimbursement Expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing if the proceeds of the borrowing are to be used to finance the Reimbursement Expenditures; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of the Bonds for the purpose of financing costs of the acquisition and rehabilitation by the Borrower of the Projects (including reimbursement of the Reimbursement Expenditures) upon such terms and conditions as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds, in an aggregate principal amount not to exceed \$23,000,000; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing bonds that may be issued in any calendar year by entities within a state (the "state ceiling") and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85(b) of the California Government Code requires a local agency desiring an allocation of the state ceiling for a particular financing to file an application with the California Debt Limit Allocation Committee (“CDLAC”) for such an allocation, and CDLAC has certain policies that are to be satisfied in connection with any such allocation; and

WHEREAS, it is in the public interest, for the public benefit and in furtherance of the public purposes of the Authority that the Authority declares its official intent to issue the Bonds to finance the Projects and to authorize the Executive Director to take all actions necessary to apply to CDLAC for an allocation of tax-exempt bond authority for the Projects.

NOW, THEREFORE, BE IT RESOLVED by the Housing Authority of the City of Santa Barbara, as follows:

1. The Authority hereby finds and determines that it is necessary and desirable to provide financing for the acquisition and rehabilitation by the Borrower of the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of the Bonds pursuant to the Act in the aggregate principal amount not to exceed \$23,000,000.

2. This Resolution is being adopted by the Authority for the purpose of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. In that regard, the Authority declares its official intent that the Authority use proceeds of the Bonds to reimburse the Reimbursement Expenditures. This action is taken expressly for the purpose of inducing the Borrower to undertake the Projects.

3. The Executive Director of the Authority is hereby authorized and directed to apply to CDLAC for an allocation of the state ceiling of private activity bonds for the Bonds to be issued by the Authority for the Projects in an amount not to exceed \$23,000,000, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of a performance deposit and the provision of certificates.

4. The law firm of Quint & Thimmig LLP is hereby designated as bond counsel to the Authority for the Bonds. The Executive Director is hereby authorized to execute an agreement with such firm for its services related to the Bonds in a form acceptable to the Executive Director; provided that any and all compensation to such firm is contingent upon the successful issuance of the Bonds.

5. Notwithstanding the foregoing, the issuance of the Bonds shall only occur on terms that are satisfactory to the Authority, and subject to the adoption by the Authority of a resolution approving the documents providing for the terms of the Bonds.

This Resolution shall take effect immediately upon its adoption.

THE FOREGOING RESOLUTION is approved and adopted by the Housing Authority of the City of Santa Barbara this \_\_\_\_ day of May, 2012.

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MARY JOHNSTON, Chair  
Housing Authority of the  
City of Santa Barbara

ATTEST:

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ROBERT G. PEARSON, Secretary  
Housing Authority of the  
City of Santa Barbara

STATE OF CALIFORNIA  
COUNTY OF SANTA BARBARA  
CITY OF SANTA BARBARA

I, Robert G. Pearson, Secretary of the Housing Authority of the City of Santa Barbara, do hereby certify that the foregoing Resolution No. \_\_\_\_ was passed and adopted at a regular meeting of the Housing Authority of the City of Santa Barbara held on the \_\_\_\_ day of May, 2012, by the following vote of the members thereof:

AYES: Authority Members:

NAYS: Authority Members:

ABSENT: Authority Members:

AND I FURTHER CERTIFY that the Chair of the Housing Authority of the City of Santa Barbara signed said Resolution on the \_\_\_\_ day of May, 2012.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal this \_\_\_\_ day of May, 2012.

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SECRETARY OF THE HOUSING AUTHORITY  
OF THE CITY OF SANTA BARBARA

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