

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING THE INCURRING OF TAX EXEMPT OBLIGATIONS BY THE HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA FOR THE PURPOSE OF PROVIDING FINANCING FOR THE ACQUISITION AND REHABILITATION OF SHIFCO AND VILLA LA CUMBRE SENIOR RENTAL HOUSING FACILITIES

WHEREAS, the Housing Authority of the City of Santa Barbara (the "Authority") is authorized by Chapter 1 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 housing purposes specified in the Act;

WHEREAS, the Authority currently owns 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") and commonly known collectively as SHIFCO, and a 60 unit senior apartment complex located at 521 N. La Cumbre Road in the City commonly known as Villa La Cumbre (collectively, the "Projects"), and the Authority has indicated that it intends to establish a California limited partnership (the "Borrower") and to sell the facilities constituting the Projects to the Borrower;

WHEREAS, in order to assist the Borrower in acquiring and rehabilitating the Projects, the Authority has indicated that it intends to issue debt obligations (which may be in the form of a loan evidenced by a note or tax-exempt revenue bonds, and referred to in this Resolution as the "Bonds") in the approximate amount of \$23,000,000, and to loan the proceeds of the Bonds to the Borrower;

WHEREAS, a portion of the housing units in the Projects will be rented to persons and families of low or very low income as required by the Act and the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Bonds will be considered to be a "qualified exempt facility bonds" under Section 142(a) of the Code;

WHEREAS, Section 147(f) of the Code requires that the "applicable elected representative" with respect to the Authority approve the issuance by the Authority of the Bonds following the holding of a public hearing with respect thereto;

WHEREAS, the Authority has determined that the City Council of the City is the "applicable elected representative" to approve the issuance by the Authority of the Bonds;

WHEREAS, notice of a public hearing by the City Council regarding the financing of the Projects has been duly given as required by the Code;

WHEREAS, the City Council has held the public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the location, operation and financing of the Projects, including the Authority's issuance of the Bonds and subsequent lending of the proceeds thereof to the Borrower; and

WHEREAS, it is in the public interest, for the public benefit and in furtherance of the public purpose of the City that the City Council approve the issuance by the Authority of the Bonds for the aforesaid purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA BARBARA THAT the issuance of the Bonds by the Authority for the purpose of providing funds to make a loan to the Borrower to enable the Borrower to finance the acquisition and rehabilitation of the Projects is hereby approved.