

RESOLUTION NO. 15-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA BARBARA APPROVING THE INCURRING OF A TAX EXEMPT OBLIGATION BY THE HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA FOR THE PURPOSE OF PROVIDING FINANCING FOR THE ACQUISITION AND REHABILITATION OF PEARL GARDENS AND SYCAMORE GARDENS MULTIFAMILY 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; and

WHEREAS, the Authority currently owns a 15 unit apartment complex located at 13-21 South Soledad Street in the City of Santa Barbara (the "City") commonly known as Pearl Gardens, and a 20 unit apartment complex located at 211-221 Sycamore Lane in the City commonly known as Sycamore Gardens (collectively, the "Housing Facilities"), and the Authority has established SB Housing Partnership IV, L.P., a California limited partnership (the "Borrower") and intends to sell the Housing Facilities to the Borrower; and

WHEREAS, in order to assist the Borrower in acquiring and rehabilitating the Housing Facilities, 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 aggregate amount of \$11,000,000, and to loan the proceeds of the Bonds to the Borrower; and

WHEREAS, a portion of the units in the Housing Facilities 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"); and

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

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; and

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 because the Housing Facilities are located in the City; and

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

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 Housing Facilities, including the Authority's issuance of the Bonds and subsequent lending of the proceeds thereof to the Borrower to finance the Borrower's acquisition and rehabilitation of the Housing Facilities; 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 Housing Facilities is hereby approved.