



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO HOUSING AUTHORITY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

CONSENT
October 3, 2006

Honorable Chair and
Members of the Housing Authority of the City of Sacramento

Title: APPROVAL OF BOND DOCUMENTS FOR VALENCIA POINT APARTMENTS

Location/Council District: Del Paso Road and Westlake Parkway / District 1

Recommendation: Adopt the attached **Housing Authority Resolution** which: 1) approves documents authorizing a bond issuance of \$17,500,000 for acquisition, construction, and permanent financing of the Valencia Point Apartments; and 2) authorizes the Chairperson, Vice Chairperson, or Executive Director of the Housing Authority to execute all documents necessary to issue bonds.

Contact:

Jim Hare, Assistant Director of Housing Policy and Development, 440-1313
Steve Lierly, Housing Finance Analyst, 440-1399 x 1256

Description/Analysis:

Issue: On May 9, 2006 the City Council approved an Agency loan from Housing Trust Funds in the amount of \$1,000,000 for the acquisition and construction of the Valencia Point Apartments. On May 9, 2006 the Housing Authority of the City of Sacramento adopted a Resolution (Inducement) that indicated the intent to issue up to \$20,000,000 in tax-exempt obligations to fund the acquisition and construction of the Valencia Point Apartments. The Housing Authority must approve the final bond documents in order to complete the prior obligations.

Description of Development: Valencia Point is proposed as a newly constructed 168 unit apartment complex located within the K. Hovnanian Forecast Homes master planned community of Natomas Central. The apartment complex will satisfy a portion of the mixed income housing requirements of the Natomas Central development and is being developed by St. Anton Capital, LLC. The project will be located on 6.56 net acres of land at the southeast corner of Del Paso Road and Westlake Parkway. See Attachments 1 and 2 for vicinity and location maps.

The project will include 110 very low-income, 56 low-income, and 2 manager units in 13 two-story and one three-story residential buildings. The units will be a mix of one, two and three bedrooms ranging in size from 599 square feet to 1,217 square feet. Buildings will be of wood frame construction with stucco siding

APPROVAL OF BOND DOCUMENTS FOR VALENCIA POINT APARTMENTS

and concrete roof tiles. The site will also include a 3,650 square foot club house which will contain a leasing office, kitchen, library with a study and computer area, fitness center, laundry facility, game room, conference room, and a mail center. The site will be professionally landscaped and include a swimming pool. There will be 144 covered and an additional 103 uncovered parking spaces. There will also be 20 garages on site available for residents to rent.

Project Financing: St. Anton Capital LLC, as developer, and Agency staff have agreed on a financing package for the Valencia Point Apartments that uses tax-exempt mortgage revenue bonds, low income housing tax credits, Agency loan, and a developer contribution in the form of a deferred note. In addition, the master developer, K. Hovnanian Forecast Homes, is contributing the land at the cost of \$1 and will be purchasing \$3,020,000 in bonds, which will be subordinate to the senior bonds and Agency loan. A project summary, including a proposed sources and uses of funds, is included as Attachment 3, and a project cash flow proforma is included as Attachment 4. A schedule of maximum rents and income limits is included as Attachment 5.

Committee/Commission Action: Not applicable. Issuance of bonds for this project was previously reviewed and approved by the SHRA Commission.

Policy Considerations: The recommended actions are consistent with the Agency's previously approved mortgage revenue bond policy and multifamily lending policy. Regulatory restrictions on the property are specified in a Regulatory Agreement between the Developer and the Housing Authority. Compliance with the Regulatory Agreement will be monitored by the Agency on a regular basis.

The recommended actions are also consistent with the City Mixed Income Housing Ordinance. The project will partially meet the mixed income housing requirements for the K. Hovnanian Forecast Homes development of Natomas Central. The inclusionary housing requirements will be detailed in a recorded Inclusionary Housing Regulatory Agreement. Compliance with the Inclusionary Housing Regulatory agreement will be monitored by the Agency on a regular basis.

Environmental Considerations: The potential environmental impacts of the apartment project were evaluated by the City of Sacramento as part of the larger Natomas Central project, and the City prepared an Initial Study and issued a Negative Declaration, finding that the project will not have a significant adverse impact on the environment. The Housing Authority and Agency have considered the Negative Declaration and determined that no further environmental review is required.

Rationale for Recommendation: The recommended actions are consistent with the City Mixed Income Housing Ordinance and the project will partially meet the mixed income housing requirements for the development of Natomas Central. This is an administrative action which formalizes the approval of the issuance of tax-exempt bonds which was previously authorized on May 9, 2006.

APPROVAL OF BOND DOCUMENTS FOR VALENCIA POINT APARTMENTS

Financial Considerations: The proposed bond issuance will not be an obligation of the City, the Housing Authority, or the Sacramento Housing and Redevelopment Agency. The bonds will be the sole obligation of the project and the owner who will bear all costs associated with issuing the bonds. The Agency will receive a one-time issuance fee of .25 percent of the bond issuance amount, which is payable at bond closing. The Agency will also collect an annual payment of .15 percent of the total bond issuance amount for the monitoring of the regulatory restrictions and the administration of the bonds. This fee is payable in advance in semi-annual installments for the entire period of the Regulatory Agreement. The law firm of Jones Hall is acting as bond counsel for the Housing Authority. Copies of the bond documents are on file with the Agency Clerk.

M/WBE Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Respectfully Submitted by: _____



ANNE M. MOORE
Executive Director

Recommendation Approved:



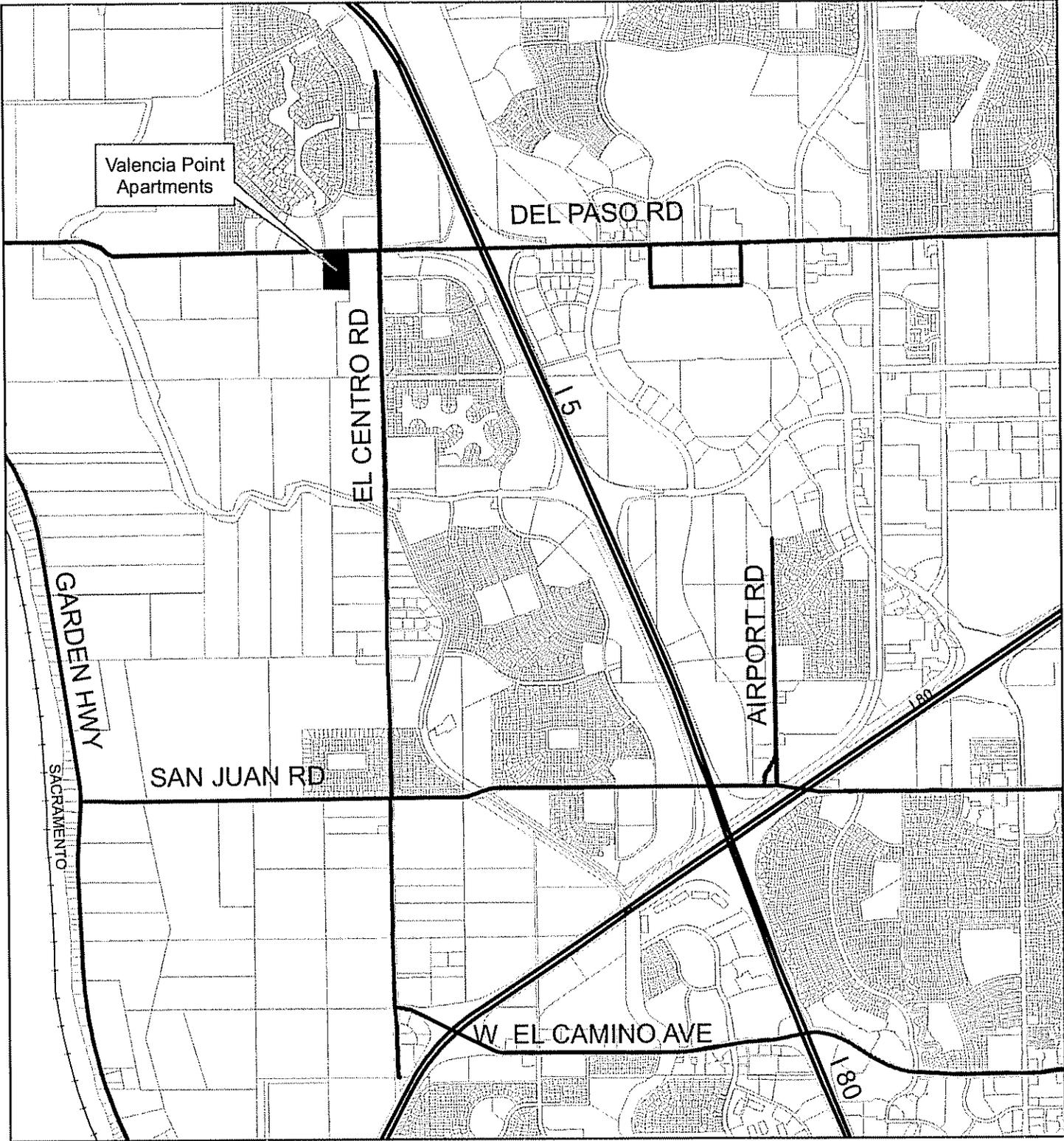
for RAY KERRIDGE
City Manager

APPROVAL OF BOND DOCUMENTS FOR VALENCIA POINT APARTMENTS

Table of Contents:

| | | |
|--------------------|--------------------------------|--------|
| | Report | pg. 1 |
| Attachments | | |
| 1 | Vicinity Map | pg. 5 |
| 2 | Location Map | pg. 6 |
| 3 | Project Summary | pg. 7 |
| 4 | Cash Flow Proforma | pg. 8 |
| 5 | Maximum Rent and Income Limits | pg. 9 |
| 6 | Housing Authority Resolution | pg. 10 |

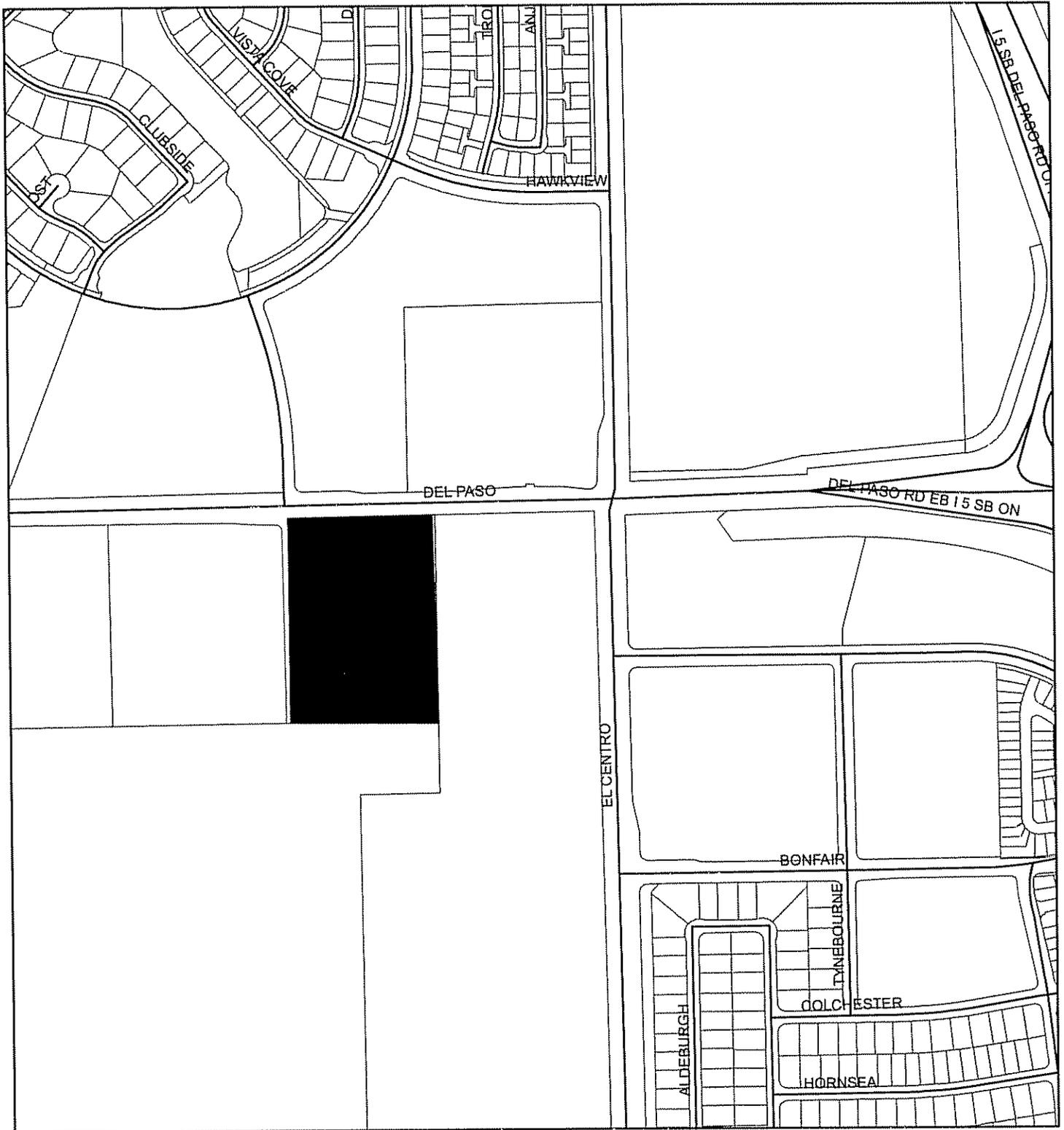
Vicinity Map Valencia Point Apartments



Legend

- Sacramento River
- Parcels

Location Map Valencia Point Apartments



Legend



Parcels



Streets



Valencia Point Apartments

Valencia Point Apartments

| | | | |
|---------------------------------------|--|-----------------|------------------------|
| Address | Southeast corner of Del Paso Road and Westlake Parkway | | |
| Number of Units | 168 | | |
| Year Built | New Construction | | |
| Acreage | 6.56 net acres | | |
| Affordability | 110 units (67%) at or below 50% of AMI 56 units (32%) at or below 60% of AMI 2 Managers Unit | | |
| Unit Mix and Rents | (50% AMI) | (60% AMI) | |
| 1 Bedroom / 1 Bath | 22 @ \$613 | 14 @ \$735 | |
| 2 Bedroom / 2 Bath | 56 @ \$736 | 26 @ \$883 | |
| 3 Bedroom / 2 Bath | 32 @ \$850 | 16 @ \$1,020 | |
| Square Footage | 599 square feet | | |
| 1 BR / 1 BA | 893 square feet | | |
| 2 BR / 2 BA | 1,114 - 1,217 square feet | | |
| 3 BR / 2 BA | 3,650 square feet | | |
| Community Room | 156,890 square feet | | |
| Total | | | |
| Resident Facilities | A 3,650 square foot community room with laundry room, kitchen, library with computer area, mail room, fitness center, meeting and conference room. | | |
| Permanent Sources | <i>Total</i> | <i>Per Unit</i> | <i>Per Square Foot</i> |
| Senior MRB | \$ 10,050,000 | \$ 59,821 | \$ 64.06 |
| Tax Credit Equity | \$ 11,258,128 | \$ 67,013 | \$ 71.76 |
| SHRA Loan | \$ 1,000,000 | \$ 5,952 | \$ 6.37 |
| Subordinate Bonds | \$ 3,020,000 | \$ 17,976 | \$ 19.25 |
| NOI During Lease Up | \$ 633,408 | \$ 3,770 | \$ 4.04 |
| GIC Interest Income | \$ 387,045 | \$ 2,304 | \$ 2.47 |
| Developer Note | \$ 2,027,098 | \$ 12,066 | \$ 12.92 |
| TOTAL SOURCES | \$ 28,375,679 | \$ 168,903 | \$ 180.86 |
| Permanent Uses | | | |
| Acquisition Costs | \$ 1 | \$ 0 | \$ 0.00 |
| Construction Costs | \$ 17,363,016 | \$ 103,351 | \$ 110.67 |
| Financing Costs, Taxes & Insurance | \$ 2,382,491 | \$ 14,181 | \$ 15.19 |
| Operating Reserves | \$ 328,803 | \$ 1,957 | \$ 2.10 |
| Development Impact Fees | \$ 4,290,000 | \$ 25,536 | \$ 27.34 |
| Reports, Survey, Title, Escrow, Legal | \$ 599,999 | \$ 3,571 | \$ 3.82 |
| Contingency | \$ 100,000 | \$ 595 | \$ 0.64 |
| Other Transaction Costs | \$ 811,369 | \$ 4,830 | \$ 5.17 |
| Developer Fee | \$ 2,500,000 | \$ 14,881 | \$ 15.93 |
| TOTAL USES | \$ 28,375,679 | \$ 168,903 | \$ 180.86 |
| Management / Operations | Proposed Developer: St. Anton Capital, LLC | | |
| Property Management Company: | St. Anton Management | | |
| Operations Budget: | \$507,015 | \$3,018 | |
| Replacement Reserves: | \$42,000 | \$250 | |

Valencia Point Apartments
Cash Flow Proforma

| Unit Type | Number | Square Feet | Total Sq Feet | Monthly Rent | Rent per Sq Foot | Total Mo. Rent | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 24 | Year 25 | Year 30 |
|---------------------------------------|-------------|-----------------|-----------------|------------------|------------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1 BD / 1 BA @ 50% AMI | 22 | 539 | 13,178 | \$ 565 | 0.94 | \$12,430 | \$149,160 | | | | | | | |
| 1 BD / 1 BA @ 60% AMI | 14 | 599 | 8,386 | \$ 687 | 1.15 | \$9,618 | \$115,416 | | | | | | | |
| 2 BD / 2 BA @ 50% AMI | 56 | 893 | 50,008 | \$ 672 | 0.75 | \$37,632 | \$451,584 | | | | | | | |
| 2 BD / 2 BA @ 60% AMI | 26 | 893 | 23,218 | \$ 819 | 0.92 | \$21,294 | \$255,528 | | | | | | | |
| 3 BD / 2 BA @ 50% AMI | 16 | 1144 | 18,304 | \$ 769 | 0.67 | \$12,304 | \$147,648 | | | | | | | |
| 3 BD / 2 BA @ 60% AMI | 8 | 1144 | 9,152 | \$ 939 | 0.82 | \$7,512 | \$90,144 | | | | | | | |
| 3 BD / 2 BA @ 50% AMI | 16 | 1217 | 19,472 | \$ 769 | 0.63 | \$12,304 | \$147,648 | | | | | | | |
| 3 BD / 2 BA @ 60% AMI | 8 | 1217 | 9,736 | \$ 939 | 0.77 | \$7,512 | \$90,144 | | | | | | | |
| 2 BD / 2 BA Managers Unit | 2 | 893 | 1,786 | \$ 819 | 0.92 | \$1,638 | \$19,656 | | | | | | | |
| Total / Average | 168 | 955 | 153,240 | \$ 775 | 0.89 | \$122,244 | \$1,466,928 | | | | | | | |
| annual increase | rate | per unit | per unit | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 24 | Year 25 | Year 30 |
| Potential Gross Income | 2.50% | | | 1,547,152 | 1,585,831 | 1,625,477 | 1,665,114 | 1,707,767 | 1,932,181 | 2,186,086 | 2,473,355 | 2,730,122 | 2,798,375 | 3,166,104 |
| Other Income | 2.50% | | | 109,848 | 112,594 | 115,409 | 118,294 | 121,252 | 137,185 | 155,212 | 175,609 | 193,839 | 198,685 | 224,794 |
| Less Vacancy | 5.00% | | | 82,850 | 84,921 | 87,044 | 89,220 | 91,451 | 103,468 | 117,065 | 132,448 | 146,198 | 149,653 | 169,545 |
| Effective Gross Income | | | | \$1,574,150 | \$1,613,504 | \$1,653,842 | \$1,695,188 | \$1,737,567 | \$1,965,898 | \$2,224,233 | \$2,516,516 | \$2,777,763 | \$2,847,207 | \$3,221,353 |
| Operating Expenses | | | | | | | | | | | | | | |
| Operating Expenses | 3.50% | | 2,890 | 485,603 | 502,599 | 520,190 | 538,397 | 557,241 | 661,827 | 786,043 | 933,572 | 1,071,296 | 1,108,791 | 1,316,896 |
| Social Services | 3.50% | | 133 | 22,320 | 23,101 | 23,910 | 24,747 | 25,613 | 30,420 | 36,129 | 42,910 | 49,240 | 50,984 | 60,529 |
| Property Assessments | 2.00% | | 396 | 66,594 | 67,926 | 69,284 | 70,670 | 72,083 | 79,586 | 87,869 | 97,015 | 105,012 | 107,112 | 116,261 |
| Property Management | 3.50% | | 328 | 55,095 | 56,473 | 57,884 | 59,332 | 60,815 | 68,806 | 77,848 | 88,078 | 97,222 | 99,652 | 112,747 |
| Replacement Reserves | 3.00% | | 250 | 42,000 | 43,260 | 44,558 | 45,895 | 47,271 | 54,800 | 63,529 | 73,647 | 82,891 | 85,377 | 98,976 |
| Total Expenses | | | 3,998 | 671,612 | 693,359 | 715,826 | 739,040 | 763,023 | 895,440 | 1,051,418 | 1,235,223 | 1,405,661 | 1,451,897 | 1,707,409 |
| Net Operating Income | | | | \$902,538 | \$920,145 | \$938,016 | \$956,148 | \$974,544 | \$1,070,458 | \$1,172,815 | \$1,281,293 | \$1,372,102 | \$1,395,310 | \$1,513,943 |
| Debt Service | | | | | | | | | | | | | | |
| Senior Loan | | | 30 | 719,186 | 719,186 | 719,186 | 719,186 | 719,186 | 719,186 | 719,186 | 719,186 | 719,186 | 719,186 | 719,186 |
| Interest Rate Cap Escrow | | | | 0 | 0 | 0 | 0 | 0 | 10,050 | 10,050 | 10,050 | 10,050 | 10,050 | 10,050 |
| Net Cash after Senior Debt | | | | 183,352 | 200,960 | 218,830 | 236,963 | 255,359 | 341,273 | 443,579 | 552,057 | 642,866 | 666,074 | 784,708 |
| Priority Distributions | | | | | | | | | | | | | | |
| Issuance Fee | | | | 26,033 | 26,033 | 26,033 | 26,033 | 26,033 | 26,033 | 26,033 | 26,033 | 26,033 | 26,033 | 26,033 |
| PILLOT Fee | | | | 44,170 | 45,053 | 45,954 | 46,874 | 47,811 | 52,787 | 58,281 | 64,347 | 69,652 | 71,045 | 78,439 |
| Net Cash After Priority Distributions | | | | 113,150 | 129,874 | 146,843 | 164,057 | 181,515 | 262,403 | 359,265 | 461,577 | 547,182 | 566,987 | 680,237 |
| Combined Debt Coverage Ratio | | | | 1.14 | 1.16 | 1.19 | 1.21 | 1.23 | 1.32 | 1.44 | 1.20 | 1.55 | 1.69 | 1.82 |
| Secondary Distributions | | | | | | | | | | | | | | |
| Asset Management Fee (AMF) | | | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Partnership Management Fee (PMF) | | | | 15,472 | 15,858 | 16,255 | 16,661 | 17,078 | 19,322 | 21,861 | 24,734 | 27,301 | 27,984 | 31,661 |
| Interest for Period | 1,000,000 | 4.00% | | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Payment | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 244,800 | 60,587 | 0 | 0 |
| Accrued Interest | | | | 120,000 | 160,000 | 200,000 | 240,000 | 280,000 | 480,000 | 680,000 | 826,400 | 0 | 0 | 0 |
| Principal Balance | | | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 826,400 | 0 | 0 | 0 |
| Net Cash Available | | | | 92,678 | 109,015 | 125,588 | 142,395 | 159,438 | 238,081 | 332,404 | 187,144 | 454,294 | 536,013 | 643,576 |
| Developer Note | | | | | | | | | | | | | | |
| Interest | 2,027,098 | 4.00% | | 81,084 | 80,620 | 79,484 | 77,640 | 75,050 | 51,187 | 2,935 | 0 | 0 | 0 | 0 |
| Accum Balance | | | | 2,108,182 | 2,096,124 | 2,065,593 | 2,018,645 | 1,951,300 | 1,330,866 | 76,313 | 0 | 0 | 0 | 0 |
| Payment | | | | 92,678 | 109,015 | 125,588 | 142,395 | 159,438 | 238,081 | 332,404 | 187,144 | 454,294 | 536,013 | 643,576 |
| Balance | | | | 2,015,504 | 1,987,108 | 1,941,005 | 1,876,250 | 1,791,862 | 1,092,785 | 0 | 0 | 0 | 0 | 0 |

MAXIMUM RENT AND INCOME LEVELS

Mortgage Revenue Bond Program

(Rents @ 50% of AMI less utility allowance)

| Maximum Income Limits: | |
|------------------------|--------------------|
| 50% AMI | |
| <u>Family Size</u> | <u>Max. Income</u> |
| 1 person | \$ 22,900 |
| 2 person | \$ 26,150 |
| 3 person | \$ 29,450 |
| 4 person | \$ 32,700 |
| 5 person | \$ 35,300 |

| Maximum Rent Limits: | |
|----------------------|-------------------|
| <u>Unit Size</u> | <u>Gross Rent</u> |
| 1 Bedroom | \$ 613 |
| 2 Bedroom | \$ 736 |
| 3 Bedroom | \$ 850 |

4% Low-Income Housing Tax Credit Program

(Rents @ 60% of AMI less utility allowance)

| Maximum Income Limits: | |
|------------------------|--------------------|
| 60% AMI | |
| <u>Family Size</u> | <u>Max. Income</u> |
| 1 person | \$ 27,480 |
| 2 person | \$ 31,380 |
| 3 person | \$ 35,340 |
| 4 person | \$ 39,240 |
| 5 person | \$ 42,360 |

| Maximum Rent Limits: | |
|----------------------|-------------------|
| <u>Unit Size</u> | <u>Gross Rent</u> |
| 1 Bedroom | \$ 735 |
| 2 Bedroom | \$ 883 |
| 3 Bedroom | \$ 1,020 |

RESOLUTION NO. 2006 -

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON THE DATE

**AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF HOUSING AUTHORITY OF THE CITY OF SACRAMENTO MULTIFAMILY HOUSING REVENUE BONDS (VALENCIA POINT APARTMENTS) 2006 ISSUE I AND 2006 ISSUE I-S, AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, A FINANCING AGREEMENT, AN INDENTURE OF TRUST, A LOAN AGREEMENT, A REGULATORY AGREEMENT, A BOND PURCHASE AGREEMENT AND AN OFFICIAL STATEMENT AUTHORIZING THE EXECUTION AND DELIVERY OF AND APPROVING OTHER RELATED DOCUMENTS AND APPROVING OTHER RELATED ACTIONS IN CONNECTION THEREWITH;
VALENCIA POINT APARTMENTS**

BACKGROUND

- A. Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, commencing with Section 34200 (the "Act"), authorizes housing authorities to incur indebtedness for the purpose of financing the acquisition, construction and development of multifamily rental housing facilities to be occupied in part by persons of low and very low income.
- B. The Housing Authority of the City of Sacramento (the "Authority") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to engage in a program (the "Program") of financing the acquisition, construction and development of multifamily rental housing facilities, and has determined to borrow money for such purpose by the issuance of revenue bonds as authorized by the Act.
- C. The Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act.
- D. Valencia Sacramento L.P., a California limited partnership (the "Borrower"), has requested that the Authority issue and sell the Bonds (hereinafter defined) for the purpose of financing the acquisition, construction and development of a multifamily rental housing project to be commonly known as the Valencia Point Apartments to be located on the Southeast corner of the intersection of Del Paso Road and Westlake Parkway in the City of Sacramento, California (the "Project").
- E. All conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds and the implementation of the Program as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

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

Section 1. The Authority hereby finds and declares that the above recitals are true and correct, and the environmental findings as stated in the staff report that accompanies this resolution are approved and adopted.

Section 2. Pursuant to the Act, revenue bonds of the Authority designated as "Housing Authority of the City of Sacramento Variable Rate Demand Multifamily Housing Revenue Bonds (Valencia Point Apartments) 2006 Issue I" (the "Senior Bonds") and as "Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Valencia Point Apartments) 2006 Issue I-S" (the "Subordinate Bonds" and together with the Senior Bonds, the "Bonds"), in a total aggregate principal amount not to exceed \$17,500,000, are hereby authorized to be issued. The Bonds shall be executed by the manual or facsimile signature of the Chairperson, Vice Chairperson or Executive Director of the Authority, and attested by the manual or facsimile signature of the Secretary of the Board of the Authority or the Clerk of the Sacramento Housing and Redevelopment Agency (the "Clerk"), in the form set forth in and otherwise in accordance with the Indenture (hereinafter defined).

Section 3. The following documents with respect to the Bonds (the "Bond Documents") between and/or among the Authority and the institutions named therein, in the forms on file with the Clerk, are hereby approved:

- (a) a trust indenture with respect to the Senior Bonds (the "Senior Indenture") between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee");
- (b) a financing agreement with respect to the Senior Bonds (the "Financing Agreement") among the Authority, the Trustee and the Borrower;
- (c) an indenture of trust with respect to the Subordinate Bonds (the "Subordinate Indenture") between the Authority and Wells Fargo Bank, National Association, as trustee (the "Subordinate Trustee");
- (d) a loan agreement with respect to the Subordinate Bonds (the "Loan Agreement") the Authority, the Subordinate Trustee and the Borrower;
- (e) a regulatory agreement and declaration of restrictive covenants (the "Regulatory Agreement") among the Authority, the Trustee and the Borrower;

- (f) a bond purchase agreement with respect to the Senior Bonds (the "Bond Purchase and Placement Agreement") among the Authority, the Borrower and Capmark Securities Inc.;
- (g) a preliminary official statement with respect to the Senior Bonds (the "Preliminary Official Statement"); and

The Chairperson, the Vice Chairperson or the Executive Director of the Authority (the "Designated Officers") are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Documents, and Clerk of the Sacramento Housing and Redevelopment Agency is hereby authorized and directed, for and in the name and on behalf of the Authority, to attest the Designated Officer's signature on the Bond Documents, if necessary, in substantially said forms, with such additions thereto or changes therein as are recommended or approved by such officers upon consultation with bond counsel to the Authority, including such additions or changes as are necessary or advisable in accordance with Section 5 hereof (provided that no additions or changes shall authorize an aggregate principal amount of Bonds in excess of \$17,500,000), the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Authority of the Bond Documents. The date, maturity 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 Bonds shall be as provided in the Indenture and Subordinate Indenture, as applicable, as finally executed.

Section 4. The Bonds, when executed, shall be delivered to the applicable Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the applicable Trustee's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchasers thereof in accordance with written instructions executed on behalf of the Authority by one of the Designated Officers, which instructions such officers are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the applicable Trustee. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price therefor.

Section 5. All actions heretofore taken by the officers and agents of the Authority with respect to the establishment of the Program and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority, including the Designated Officers, are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including, but not limited to, determining the principal amount of the Bonds to be

issued and delivered (provided such aggregate principal amount shall not exceed \$17,500,000) and any remarketing provisions with respect thereto, and execute and deliver any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution and resolutions heretofore adopted by the Authority and in order to carry out the Program, including but not limited to those certificates, agreements, deeds of trust and other documents described in the Senior Indenture, the Financing Agreement, the Subordinate Indenture, the Loan Agreement, the Regulatory Agreement, the Bond Purchase Agreement and the other documents herein approved and any certificates, agreements or documents as may be necessary to further the purpose hereof, evidence credit support or additional security for the Bonds, but which shall not create any obligation or liability of the Authority other than with respect to the revenues and assets derived from the proceeds of the Bonds.

Section 6. This resolution shall take effect immediately upon its adoption.