

RESOLUTION
CITY OF LOS ANGELES

A RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF ONE OR MORE SERIES OF MULTIFAMILY NOTES BY THE CITY OF LOS ANGELES DESIGNATED AS ITS MULTIFAMILY MORTGAGE REVENUE NOTE (SUMMIT VIEW APARTMENTS) SERIES 2022BB IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,220,000 TO PROVIDE FINANCING FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE MULTIFAMILY HOUSING PROJECT SPECIFIED IN PARAGRAPH 20 HEREOF AND APPROVING AND AUTHORIZING MODIFICATION AGREEMENTS REGARDING THE CITY OF LOS ANGELES MULTIFAMILY MORTGAGE REVENUE NOTE (SUMMIT VIEW APARTMENTS) SERIES 2019M, EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND AGREEMENTS AND THE TAKING OF RELATED ACTIONS INCLUDING THE EXECUTION OF AMENDATORY DOCUMENTS THERETO.

WHEREAS, the City of Los Angeles (the “City”) is authorized, pursuant to the provisions of Section 248, as amended, of the City Charter of the City (the “City Charter”) and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (the “Law”) to issue its obligations for the purposes of providing financing for the acquisition, rehabilitation, construction, equipping and development of multifamily rental housing for persons of low and moderate income (the “Program”) which will satisfy the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”); and

WHEREAS, the City now desires to issue its revenue note pursuant to the Law, and in accordance with the Act, to provide financing for the acquisition, rehabilitation, construction and equipping of the multifamily rental housing project described in paragraph 20 below (the “Project”); and

WHEREAS, the Project is or will be located wholly within the City; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize the financing of the Project, and it is within the powers of the City to provide for such a financing and the issuance of such note; and

WHEREAS, 11681 Foothill L.P. (the “Owner”) has requested the City to authorize the issuance of the Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2022BB with a principal amount not to exceed \$2,220,000 (the “2022 Note”) to finance additional costs of the Project; and

WHEREAS, the City proposes to use the proceeds of the 2022 Note to fund a loan to the Owner to finance a portion of the acquisition, rehabilitation, construction and equipping of the Project and, if applicable, to pay certain costs of issuance in connection with the issuance of the 2022 Note; and

WHEREAS, MUFG Union Bank, N.A., or a subsidiary or affiliate thereof (the “Funding Lender”) has expressed its intention to make a loan (the “2022 Funding Loan”) to the City and as evidence for such loan acquire (or to cause a subsidiary or affiliate to acquire) the 2022 Note authorized hereby in whole, and this Council (the “City Council”) finds that the public interest and necessity require that the City at this time make arrangements for the issuance and delivery of such Note; and

WHEREAS, the interest on the 2022 Note may qualify for a federal tax exemption under Section 142(a)(7) of the Internal Revenue Code of 1986, as amended (the “Code”) only if the 2022 Note is approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, the 2022 Note is required to be approved, following a public hearing, by an elected representative of the issuer of the 2022 Note and an elected representative of the governmental unit having jurisdiction over the area in which the Project is located; and

WHEREAS, this City Council is the elected legislative body of the City and is the applicable elected representative required to approve the issuance of the 2022 Note within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City, on September 22, 2022, to the effect that a public hearing would be held on September 29, 2022 regarding the issuance of the 2022 Note and reissuance of the City’s Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2019M (the “2019 Note”); and

WHEREAS, the Los Angeles Housing Department held said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the 2022 Note and reissuance of the 2019 Note; and

WHEREAS, the minutes of such public hearing, and any written comments received with respect thereto, have been presented to this City Council;

WHEREAS, the Owner of the Project has caused the Funding Lender to provide to the City the following information as a good faith estimate of the cost of the 2022 Note financing and the City disclosed such information in accordance with Section 5852.1 of the California Government Code: (a) the true interest cost of the 2022 Note, (b) the finance charge of the 2022 Note, including all third party expenses, (c) the amount of proceeds received by the City for the issuance and delivery of the 2022 Note less the finance charge of the 2022 Note and any reserves or capitalized interest paid or funded with proceeds of the 2022 Note and (d) the total payment amount, all as reflected on the attached Exhibit A (the “Financing Information”); and

WHEREAS, such Financing Information has been disclosed in connection with the City Council meeting in which this Resolution is approved; and

WHEREAS, the City has previously authorized and issued, pursuant to the Law and in accordance with the Act, 2019 Note to finance costs of the Project; and

WHEREAS, the Owner has requested that the City approve modifications to the Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program) dated December 1, 2019 among the City, Funding Lender and the Owner (the “Loan Agreement”) and Borrower Note (as defined in the Loan Agreement) pursuant to: (a) a Second Modification Agreement among the City, the Funding Lender and the Owner (the “Second Modification Agreement”) to modify the Conversion Date and the maturity date of the Borrower Note; and (b) a Third Modification Agreement and Declaration of Additional Advance (Long Form) (together with the Second Modification Agreement, the “Modification Agreement”) to set forth terms and conditions regarding the loan of proceeds of the 2022 Note; and

WHEREAS, the Funding Lender and Owner have agreed to extend the maturity date of the Borrower Note and the 2019 Note pursuant to the Modification Agreement and an Amendment to Funding Loan Agreement (the “Amendment to Funding Loan Agreement”) among the City, the Fiscal Agent and the Funding Lender; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize, execute and deliver as necessary the Modification Agreement and Amendment to Funding Loan Agreement and it is within the powers of the City to provide for such amendments; and

WHEREAS, the amendments effected by the Modification Agreement and the Amendment to Funding Loan Agreement will cause the 2019 Note to be “reissued” one or more times under the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the interest on the “reissued” 2019 Note may qualify for a federal tax exemption under Section 142(a)(7) of the Code, only if such reissued 2019 Note is approved in accordance with Section 147(f) of the Code; and

WHEREAS, the forms of the Modification Agreement and Amendment to Funding Loan Agreement have been presented to the City Council;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Los Angeles, as follows:

1. The recitals hereinabove set forth are true and correct, and this City Council so finds. This Resolution is being adopted pursuant to the Law.
2. Pursuant to the Law and in accordance with the Act and the 2022 Funding Loan Agreement (as hereinafter defined) a revenue note of the City, to be designated as “City of Los Angeles Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2022BB” in a principal amount not to exceed \$2,220,000, is hereby authorized to be issued. The principal amount of the 2022 Note to be issued shall be determined by a Designated Officer (as defined below) in accordance with this Resolution.
3. The proposed form of the Funding Loan Agreement (the “2022 Funding Loan Agreement”), among the City, the Funding Lender as Funding Lender and U.S. Bank Trust Company, National Association (the “Fiscal Agent”), in substantially the form attached hereto, is hereby approved along with any additions or supplements which may, in the determination of a Designated Officer, be necessary to document the issuance of the

2022 Note authorized hereunder. The Mayor of the City, the General Manager or any Interim General Manager, any Assistant General Manager, or any Acting Assistant General Manager, Interim Assistant General Manager, Executive Officer, Director or Acting Director—Finance and Development Division of the Housing Development Bureau of the Los Angeles Housing Department (each hereinafter referred to as a “Designated Officer”) are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the 2022 Funding Loan Agreement, with such additions, changes or corrections as the Designated Officer executing the same may approve upon consultation with the City Attorney and Bond Counsel to the City and approval by the City Attorney, provided that such additions or changes shall not authorize an aggregate principal amount of the 2022 Note in excess of the amount stated above, such approval by the City Attorney to be conclusively evidenced by the execution and delivery of the 2022 Funding Loan Agreement with such additions, changes or corrections.

4. The proposed form of the supplement to the Loan Agreement (the “Supplement”), by and among the City, the Funding Lender and the Owner, providing for the loan of the proceeds of the 2022 Note, in substantially the form attached hereto, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute the Supplement, with such additions, changes or corrections as the Designated Officer executing the same may approve upon consultation with the City Attorney and Bond Counsel and approval by the City Attorney, such approval to be conclusively evidenced by the execution of said Supplement with such additions, changes or corrections.

5. The proposed form of the 2022 Note, as set forth in the 2022 Funding Loan Agreement, is hereby approved, and the Mayor and City Treasurer, Interim City Treasurer, or Deputy City Treasurer of the City are hereby authorized and directed to execute, by manual or facsimile signatures of such officers under the seal of the City, and the Fiscal Agent or an authenticating agent, is hereby authorized and directed to authenticate, by manual signatures of one or more authorized officers of the Fiscal Agent or an authenticating agent, the 2022 Note in substantially such form and the Fiscal Agent is hereby authorized and directed to issue and deliver the 2022 Note to the Funding Lender in accordance with the 2022 Funding Loan Agreement. The date, maturity dates, interest rate or rates (which may be either fixed or variable), interest payment dates, denomination, form of registration privileges, manner of execution, place of payment, terms of redemption, use of proceeds, series designation and other terms of the 2022 Note shall be as provided in the 2022 Funding Loan Agreement as finally executed; provided, however, that the principal amount of the 2022 Note shall not exceed \$2,220,000, the interest rate on the 2022 Note shall not exceed 12% per annum (which limitation shall not apply to any default rate defined in the Loan Agreement), and the final maturity of the 2022 Note shall be no later than forty years from the date of issuance. The initial purchase price of the 2022 Note shall be 100% of the principal amount thereof to be paid as advances are made with respect to the 2022 Note by the Funding Lender. The 2022 Note may, if so provided in the 2022 Funding Loan Agreement, be issued as a “draw-down” note to be funded over time as provided in the 2022 Funding Loan Agreement. Such Note may be delivered in temporary form pursuant to the 2022 Funding Loan Agreement if, in the judgment of the

City Attorney, delivery in such form is necessary or appropriate until the 2022 Note in definitive form can be prepared.

6. The proposed form of the Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into by and among the City, the Fiscal Agent and the Owner, which amends and restates in whole the regulatory agreement executed in connection with the issuance of the 2019 Note, substantially in the form attached hereto, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Regulatory Agreement, with such additions, changes and corrections as the Designated Officer may approve upon consultation with the City Attorney and Bond Counsel and approval of the City Attorney, such approval to be conclusively evidenced by the execution of said Regulatory Agreement with such additions, changes or corrections. Any Designated Officer is hereby authorized and directed for and in the name and on behalf of the City to execute amendments to the Regulatory Agreement in order that interest on the 2019 Note and 2022 Note remains tax-exempt.

7. All actions heretofore taken by the officers and agents of the City with respect to the issuance and delivery of the 2022 Note are hereby approved, confirmed and ratified, and each Designated Officer of the City, the City Clerk and other properly authorized officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those described in the 2022 Funding Loan Agreement, the Supplement, the Regulatory Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2022 Note and the implementation of the Program in accordance with the Act and the Law and this Resolution and resolutions heretofore adopted by the City.

8. In accordance with procedures established by the City Charter, the City Council, by adoption and approval of this Resolution and with the concurrence of the Mayor, does hereby direct that the proceeds of the 2022 Note be delivered directly to the Fiscal Agent, instead of the City Treasurer, to be deposited into the funds and accounts established under the 2022 Funding Loan Agreement.

9. Pursuant to Section 147(f) of the Code, the City Council hereby approves the issuance of the 2022 Note to finance the Project. It is intended that this Resolution constitute approval of the 2022 Note by the applicable elected representative of the issuer of the 2022 Note and the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f).

10. Pursuant to the City Charter all agreements to which the City is a party shall be subject to approval by the City Attorney as to form.

11. The 2022 Note shall contain a recital that it is issued pursuant to the Law and in accordance with the Act.

12. Pursuant to and solely for the purposes of Section 147(f) of the Code, the City Council hereby approves the reissuance of the 2019 Note by the City in one or more series to finance the Project. It is intended that this Resolution constitute approval of the reissued 2019 Note: (a) by the applicable elected representative of the issuer of the 2019 Note and (b) by the applicable elected representative of the governmental unit having jurisdiction of the area in which the Project is located in accordance with said Section 147(f).

13. The execution and delivery on behalf of the City of the Modification Agreement substantially in the form presented to the City Council, for the purpose of (i) extending the conversion date (iii) making various ancillary or conforming changes to the Loan Agreement, (iv) extending the maturity date of the Borrower Note and (v) consenting to the Modification Agreement is hereby approved, and each Authorized Representative (as such term is defined in the 2022 Funding Loan Agreement) of the City is hereby authorized and directed, for and on behalf of the City, to execute the Modification Agreement with such changes as such Authorized Representative may approve upon consultation with the City Attorney and/or Bond Counsel and approval by the City Attorney, such approval by such Authorized Representative to be conclusively evidenced by the execution of the Modification Agreement

14. The execution and delivery on behalf of the City of the Amendment to Funding Loan Agreement substantially in the form presented to the City Council, for the purpose of extending the maturity date of the Borrower Note and the 2019 Note, is hereby approved, and each Authorized Representative of the City is hereby authorized and directed, for and on behalf of the City, to execute the Amendment to Funding Loan Agreement with such changes as such Authorized Representative may approve upon consultation with the City Attorney and/or Bond Counsel and approval by the City Attorney, such approval by such Authorized Representative to be conclusively evidenced by the execution of the Amendment to Funding Loan Agreement.

15. All actions heretofore taken by the officers and agents of the City with respect to the reissuance of the 2019 Note are hereby approved, confirmed and ratified, and each Authorized Representative of the City, the City Clerk and other properly authorized officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents.

16. The City Clerk of the City or any deputy thereof is hereby authorized to countersign or to attest the signature of any Designated Officer and to affix and attest the seal of the City as may be appropriate in connection with the execution and delivery of any of the documents authorized by this Resolution, provided that the due execution and delivery of said documents or any of them shall not depend on such signature of the City Clerk or any deputy thereof or affixing of such seal. Any of such documents may be executed in multiple counterparts.

17. In addition to the Designated Officers, any official of the City, including any official of the Los Angeles Housing Department, as shall be authorized in writing by

the Mayor of the City, is hereby authorized for and on behalf of the City to execute and deliver any of the agreements, certificates and other documents, except the 2019 Note and 2022 Note, authorized by this Resolution.

18. Each Designated Officer and other properly authorized officials of the City as specifically authorized under this Resolution are hereby authorized, directed and empowered on behalf of the City and this Council to execute any other additional applications, certificates, agreements, documents or other instruments or any amendments or supplements thereto, subject to approval by the City Attorney as to form, or to do and to cause to be done any and all other acts and things as they may deem necessary or appropriate to carry out the purpose of the foregoing authorizations and to address any issues arising with respect to the 2019 Note or the 2022 Note or the agreements relating thereto subsequent to their issuance.

19. This Resolution shall take effect immediately upon its passage and adoption.

20. The “Project” and “Owner” referred to herein are as follows:

Project Name	# of Units	Address	Owner
Summit View Apartments	48 (plus 1 manager unit)	11800 W. Kagel Canyon Street (formerly known as 11681 Foothill Boulevard), Los Angeles, CA 91342	11681 Foothill, L.P.

[Remainder of page intentionally left blank]

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on _____, 2022.

By _____
Name _____
Title _____

EXHIBIT A
FINANCING INFORMATION
[ATTACHED]

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the following good faith estimate is provided by MUFG Union Bank, N.A., at the request of 11681 Foothill, L.P., to the City of Los Angeles (the "City") prior to the City's regular City Council (the "Council") meeting (the "Meeting") at which Meeting the Council will consider the authorization of conduit revenue obligations (the "Loan") as identified below.

1. Name of Borrower: 11681 Foothill, L.P.
2. Name of Bond Issue / Conduit Revenue Obligations: City of Los Angeles Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2019M and 2022BB
3. Amount of Tax-Exempt Bond Issue / Conduit Revenue Obligations: \$2,220,000
4. X Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor (mark one) engaged by the Borrower from which the Borrower obtained the following required good faith estimates relating to the Loan:
 - (A) The true interest cost of the Tax-Exempt Loan, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Tax-Exempt Loan (to the nearest ten-thousandth of one percent): 3.39%.
 - (B) The finance charge of the Tax-Exempt Loan, which means the sum of all fees and charges paid to third parties: \$105,350.
 - (C) The amount of proceeds received by the public body for sale of the Tax-Exempt Loan less the finance charge of the bonds described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Tax-Exempt Loan: \$2,114,650.
 - (D) The total payment amount, which means the sum total of all payments the borrower will make to pay debt service on the Tax-Exempt Loan plus the finance charge of the Tax-Exempt Loan described in subparagraph (B) not paid with the proceeds of the Tax-Exempt Loan (which total payment amount shall be calculated to the final maturity of the Tax-Exempt Loan): \$3,924,800.

This document has been made available to the public at the Meeting of the Council.