

RESOLUTION
CITY OF LOS ANGELES

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF ONE OR MORE SERIES OF MULTIFAMILY NOTES BY THE CITY OF LOS ANGELES DESIGNATED AS ITS MULTIFAMILY HOUSING REVENUE NOTE (SANTA MONICA & VERMONT APARTMENTS) SERIES 2024A-1 AND TAXABLE SERIES 2024A-2 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,309,324 TO PROVIDE FINANCING FOR THE CONSTRUCTION AND EQUIPPING OF THE MULTIFAMILY HOUSING PROJECT SPECIFIED IN PARAGRAPH 16 HEREOF AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT, PROJECT LOAN AGREEMENT, AMENDED AND RESTATED REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS 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 notes pursuant to the Law, and in accordance with the Act, to provide financing for the acquisition, construction and equipping of the multifamily rental housing project described in paragraph 16 below (the “Project”); and

WHEREAS, the Project 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 notes; and

WHEREAS, the City has previously issued, on February 23, 2022, its Multifamily Housing Revenue Note (Santa Monica & Vermont Apartments) Series 2022B-1 in the maximum principal amount of \$56,000,000 (the “2022 Tax-Exempt Note”) and its Multifamily Housing Revenue Note (Santa Monica & Vermont Apartments) Taxable Series 2022B-2 in the maximum principal amount of \$12,853,767 (the “2022 Taxable Note” and together with the 2022 Tax-Exempt Note,

the “2022 Notes”) to finance a portion of the acquisition, construction and equipping of the Project; and

WHEREAS, SMV Housing, L.P., a California limited partnership (the “Owner”) has now requested the City to authorize the issuance of its Multifamily Housing Revenue Note (Santa Monica & Vermont Apartments) Series 2024A-1 with a principal amount not to exceed \$2,845,000 (the “2024 Tax-Exempt Note”) and its Multifamily Housing Revenue Note (Santa Monica & Vermont Apartments) Taxable Series 2024A-2 (the “2024 Taxable Note” and together with the 2024 Tax-Exempt Note, the “2024 Notes”) to finance additional costs of the Project; and

WHEREAS, the City proposes to use the proceeds of the 2024 Notes to fund loans to the Owner to finance a portion of the construction and equipping of the Project and, if applicable, to pay certain costs of issuance in connection with the issuance of the 2024 Notes; and

WHEREAS, Bank of America, N.A., or a subsidiary or affiliate thereof (the “Funding Lender”) has expressed its intention to make a tax-exempt and taxable loan (together, the “2024 Funding Loan”) to the City and as evidence for such loans acquire (or to cause a subsidiary or affiliate to acquire) the 2024 Notes 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 2024 Notes pursuant to the hereinafter defined Supplemental Funding Loan Agreement to set forth terms and conditions regarding the loan of proceeds of the 2024 Notes; and

WHEREAS, the interest on the 2024 Tax-Exempt 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 2024 Tax-Exempt Note is approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, the 2024 Tax-Exempt Note is required to be approved, following a public hearing, by an elected representative of the issuer of the 2024 Tax-Exempt 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 2024 Tax-Exempt 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 February 9, 2021, to the effect that a public hearing would be held on February 16, 2021, regarding the issuance of multifamily housing revenue bonds or notes, pursuant to a plan of financing, to finance the acquisition, rehabilitation, construction and equipping of the Project; and

WHEREAS, the Los Angeles Housing and Community Investment Department (subsequently known as 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 multifamily housing revenue bonds or notes for the Project; 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 California Housing Partnership Corporation, a Financial Advisor, to provide to the City the following information as a good faith estimate of the cost of the 2024 Notes 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 2024 Notes, (b) the finance charge of the 2024 Notes, including all third party expenses, (c) the amount of proceeds received by the City for the issuance and delivery of the 2024 Notes less the finance charge of the 2024 Notes and any reserves or capitalized interest paid or funded with proceeds of the 2024 Notes 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;

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 Supplemental Funding Loan Agreement (as hereinafter defined) a revenue note of the City, to be designated as “City of Los Angeles Multifamily Housing Revenue Note (Santa Monica & Vermont Apartments) Series 2024A-1” in a principal amount not to exceed \$2,845,000 and a revenue note of the City to be designated as “City of Los Angeles Multifamily Housing Revenue Note (Santa Monica & Vermont Apartments) Taxable Series 2024A-2” in a principal amount not to exceed \$5,464,324 are hereby authorized to be issued. The principal amount of the 2024 Notes to be issued shall be determined by a Designated Officer (as defined below) in accordance with this Resolution.

3. The proposed form of Funding Loan Agreement (the “Supplemental Funding Loan Agreement”), among the City, the Funding Lender and U.S. Bank Trust Company, National Association, as fiscal agent (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 2024 Notes authorized hereunder. The Mayor of the City, the General Manager, any Acting 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 Supplemental 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 2024 Notes in excess of the amount stated above, such approval by the City Attorney to be conclusively evidenced by the execution and delivery of the Supplemental Funding Loan Agreement with such additions, changes or corrections.

4. The proposed form of Project Loan Agreement (the “Supplemental Loan Agreement”), by and among the City, the Fiscal Agent, and the Owner, providing for the loan of the proceeds of the 2024 Notes, 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 Supplemental 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 and approval by the City Attorney, such approval to be conclusively evidenced by the execution of said Supplemental Loan Agreement with such additions, changes or corrections.

5. The proposed form of the 2024 Notes, as set forth in the Supplemental 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 2024 Notes in substantially such form and the Fiscal Agent is hereby authorized and directed to issue and deliver the 2024 Notes to the Funding Lender in accordance with the Supplemental 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 2024 Notes shall be as provided in the Supplemental Funding Loan Agreement as finally executed; provided, however, that the principal amount of the 2024 Tax-Exempt Note shall not exceed \$2,845,000 and the principal amount of the 2024 Taxable Note shall not exceed \$5,464,324, the interest rate on the 2024 Notes shall not exceed 12% per annum, and the final maturity of the 2024 Notes shall be no later than forty years after the date of issuance of the 2024 Notes. The initial purchase price of the 2024 Notes shall be 100% of the principal amount thereof to be paid as advances are made with respect to the 2024 Notes by the Funding Lender. The 2024 Notes may, if so provided in the Supplemental Funding Loan Agreement, be issued as “draw-down” notes to be funded over time as provided in the Supplemental Funding Loan Agreement. Such 2024 Notes may be delivered in temporary form pursuant to the Supplemental Funding Loan Agreement if, in the judgment of the City Attorney, delivery in such form is necessary or appropriate until the 2024 Notes in definitive form can be prepared.

6. The proposed form of 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 2022 Tax-Exempt 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 2022 Tax-Exempt Note and 2024 Tax-Exempt 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 2024 Notes 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 Supplemental Funding Loan Agreement, the Supplemental Loan Agreement, 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 2024 Notes 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. 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.

9. 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 2024 Notes, authorized by this Resolution.

10. 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 2024 Notes be delivered directly to the Fiscal Agent, instead of the City Treasurer, to be deposited into the funds and accounts established under the Supplemental Funding Loan Agreement.

11. Pursuant to Section 147(f) of the Code, the City Council hereby approves the issuance of the 2024 Tax-Exempt Note to finance the Project. It is intended that this Resolution constitute approval of the 2024 Tax-Exempt Note by the applicable elected representative of the issuer of the 2024 Tax-Exempt 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).

12. 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.

13. 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 2022 Notes, the 2024 Notes or the agreements relating thereto subsequent to their issuance, including any amendments or supplements to such documents which effect a “reissuance” of the 2022 Notes or the 2024 Notes for federal income tax purposes.

14. The 2024 Notes shall each contain a recital that it is issued pursuant to the Law and in accordance with the Act.

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

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

Project Name	# of Units	Address	Owner
Santa Monica & Vermont Apartments	187 (including 2 manager units)	1021 North Vermont Avenue (formerly known as 4718 West Santa Monica Boulevard), Los Angeles, CA 90029	SMV Housing, L.P.

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on _____, 20__.

By _____
Name _____
Title _____

I CERTIFY THAT THE FOREGOING
RESOLUTION WAS ADOPTED BY THE
COUNCIL OF THE CITY OF LOS ANGELES
AT ITS MEETING OF 3/6/2024
BY A MAJORITY OF ALL ITS MEMBERS



By Maria V. J.
DEPUTY

EXHIBIT A
FINANCING INFORMATION
[ATTACHED]