

HOUSING AUTHORITY RESOLUTION NO. 2019-118

A RESOLUTION OF THE BOARD OF GOVERNORS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AUTHORIZING CERTAIN ACTS AND APPROVING CERTAIN AGREEMENTS RELATING TO ARROWHEAD GROVE PHASE II AFFORDABLE HOUSING PROJECT

On Tuesday, August 6, 2019, on motion of Governor Rowe, duly seconded by Governor Miller and carried, the following resolution is adopted by the Board of Governors of the Housing Authority of the County of San Bernardino.

WHEREAS, the Housing Authority of the County of San Bernardino (the "Authority") is a duly formed housing authority of the State of California, and is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 34310-34334) of the California Health and Safety Code, which includes providing low and moderate income housing within its jurisdiction; and

WHEREAS, National Community Renaissance of California (NCRC) is a California 501(c)(3) tax exempt nonprofit public benefit corporation formed to assist in providing affordable housing; and

WHEREAS, the Authority and NCRC entered into a Joint Development Agreement (the "JDA") to document their roles and responsibilities with regard to the development of the Arrowhead Grove Apartments, Phase 2 project consisting of approximately one hundred eighty two (182) mixed-income rental housing units and two (2) manager's units (the "Project"); and

WHEREAS, The Authority is the owner of the former Waterman Gardens Public Housing site which consists of approximately 38 acres at the Southeast corner of Waterman Avenue and Baseline Street in the City of San Bernardino, San Bernardino County (the "Project site"); and

WHEREAS, NCRC, acting through its affiliated entity known as WG Partners MGP, LLC, a California limited liability company, is the Managing General Partner of WATERMAN GARDENS PARTNERS 2, L.P., a California limited partnership (the "Partnership") formed to develop, own, and operate the Project, and the Partnership will grant the Authority the Option and Right of First Refusal to purchase the Project or the limited partnership interest at the end of the fifteen year tax credit compliance period; and

WHEREAS, the Authority will convey a leasehold interest in a portion of the Project site to the Partnership by execution of a long-term ground lease for development of the Project; and

WHEREAS, the Authority will allow easements for right of way and reciprocal use to be established at the Project site to facilitate development of the Project; and

WHEREAS, the Authority will provide loans to the Partnership in an aggregate amount not to exceed Four Million Three Hundred Eighty Two Thousand (\$4,382,000) (the "Development Loans") for development of the Project; and

WHEREAS, the Authority submitted an application to the United States Department of Housing and Urban Development ("HUD") to participate in HUD's Rental Assistance Demonstration Program ("RAD Program"), and received a RAD award from HUD for the Project; and

WHEREAS, as part of the RAD award the Authority is required to enter into certain documents evidencing the RAD award including but not limited to a RAD Conversion Commitment, RAD Delayed

Conversion Agreement, RAD Housing Assistance Payments Contract, and certifications (the "RAD Documents").

NOW, THEREFORE, BE IT RESOLVED, by the Board of Governors of the Housing Authority of the County of San Bernardino, as follows:

Section 1. The above recitals are true and correct, and the Board of Governors of the Housing Authority so finds and determines.

Section 2. The Development Loan Agreement, in substantially the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Chairperson, Vice Chairperson, Chief Executive Officer, or the Executive Director of the Housing Authority of the County of San Bernardino (each, an "Authorized Officer") are hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the Development Loan Agreement in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Development Loan Agreement by the Authorized Officer.

Section 3. The documents ancillary to the Development Loan Agreement, including the Promissory Note, Deed of Trust and Regulatory Agreement, in substantially the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officer is hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the documents ancillary to the Development Loan Agreement in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the documents ancillary to the Development Loan Agreement by the Authorized Officer.

Section 4. The Ground Lease Agreement, in substantially the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officer is hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the Ground Lease Agreement in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Ground Lease Agreement by the Authorized Officer. The Authorized Officer is further authorized and directed, for and in the name of the Housing Authority, to execute and deliver lease riders, lotline adjustments, grant deeds, and such other documents as may be required to establish the property that is the subject of the Ground Lease Agreement and as may be required by project funders and the title company, with such property documents as the Authorized Officer, in consultation with Legal Counsel, may approve, such approval to be conclusively evidenced by the execution of such property documents by the Authorized Officer.

Section 5. The Ground Lease Loan Agreement, in substantially the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officer is hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the Ground Lease Agreement in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Ground Lease Agreement by the Authorized Officer.

Section 6. The documents ancillary to the Ground Lease Loan Agreement, including the Promissory Note and Deed of Trust, in substantially the form on file with the Secretary of the Board and

made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officer is hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the documents ancillary to the Ground Lease Loan Agreement in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the documents ancillary to the Ground Lease Loan Agreement(s) by the Authorized Officer.

Section 7. The Rental Assistance Demonstration (RAD) Delayed Conversion Agreement, in substantially the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officer is hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the RAD Delayed Conversion Agreement in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the RAD Delayed Conversion Agreement by the Authorized Officer.

Section 8. The RAD Housing Assistance Payment (HAP) Agreement, in substantially the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officer is hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the RAD HAP Agreement in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the RAD HAP Agreement by the Authorized Officer.

Section 9. The documents ancillary to the RAD Agreements, including the Releases of Declarations of Trust, the HUD Use Agreement, and HUD Subordination Agreements in substantially the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officer is hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the documents ancillary to the RAD Agreements in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Loan Agreement(s) by the Authorized Officer.

Section 10. The Declaration of Restrictive Covenants for the Development and Operation of Affordable Housing for the benefit of the California Department of Housing and Community Development in relation to the AHSC financing for the Project, and the Amended and Restated Reciprocal Easement Agreement, and the Temporary License and Construction Agreement, in substantially the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officer is hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the Amended and Restated Reciprocal Easement Agreement and Declaration of Restrictive Covenants for the Development and Operation of Affordable Housing and the Temporary License and Construction Agreement in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Amended and Restated Reciprocal Easement Agreement and Declaration of Restrictive Covenants for the Development and Operation of Affordable Housing and the Temporary License and Construction Agreement by the Authorized Officer. The Authorized Officer is further authorized and directed, for and in the name of the Housing Authority, to execute and deliver additional Easement Agreements as may be required to establish rights of way and reciprocal use as necessary to facilitate the development of the Project, with such Easement Agreements as the Authorized Officer, in consultation with Legal

Counsel, may approve, such approval to be conclusively evidenced by the execution of the Easement Agreement by the Authorized Officer. The Authorized Officer is further authorized and directed, for and in the name of the Housing Authority, to execute and deliver all Certifications and other documents required by HUD as may be required to facilitate the development of the Project, with such Certifications and other documents as the Authorized Officer, in consultation with Legal Counsel, may approve, such approval to be conclusively evidenced by the execution of the Certifications and other documents by the Authorized Officer.

Section 11. The Bank Subordination Agreements and Partial Assignments of Development and Letter Agreements, in substantially the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officer is hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the Bank Subordination Agreements and Partial Assignments of Development and Letter Agreements in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Bank Subordination Agreements and Partial Assignments of Development and Letter Agreements by the Authorized Officer.

Section 12. The Authorized Officer shall deliver to the Secretary of the Board of Governors an original of each of the Development Loan Agreement, documents ancillary to the Development Loan Agreement, Ground Lease Agreement, Ground Lease Loan Agreement, documents ancillary to the Ground Lease Loan Agreement, RAD Delayed Conversion Agreement, RAD HAP Agreement, documents ancillary to the RAD Agreements, Amended and Restated Reciprocal Easement Agreement, Bank Subordination Agreements, and Partial Assignment of Development and Letter Agreements within thirty (30) days of the full execution thereof.

Section 13. The Option Agreement and Right of First Refusal Agreement, in substantially the form on file with the Secretary of the Board of Governors and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officer is hereby authorized and directed, for and in the name of the Housing Authority, to execute and deliver the option Agreement and Right of First Refusal Agreement in the form on file with the Secretary of the Board, with such changes, insertions and omissions as HUD or the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Option Agreement and Right of First refusal Agreement by the Authorized Officer.

Section 14. The Authorized Officer shall be authorized to execute any other form or document required by any lender, investor, regulator or other third party involved in the transaction, as long as the Authorized Officer and Legal Counsel determine that the substance of such document does not materially conflict with the substance and intent of this Resolution.

Section 15. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the Arrowhead Grove Apartments Phase II Multifamily Rental Housing Project are approved, confirmed and ratified.

Section 16. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Governors of the Housing Authority of the County of San Bernardino, by the following vote:

AYES: GOVERNOR: Josie Gonzales, Curt Hagman, Robert A. Lovingood, Sylvia Miller, Jessie Muñoz, Dawn Rowe, Josie Gonzales

NOES: GOVERNOR: None

ABSENT: GOVERNOR: None

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STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO) ss.

I, **LYNNA MONELL**, Secretary of the Board of Governors of the Housing Authority of the County of San Bernardino, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Governors, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of Tuesday, August 6, 2019. Item #6 jll

LYNNA MONELL
Secretary

By _____
Deputy