

RESOLUTION NO. 2256

RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY OF SALEM, OREGON (THE “**HOUSING AUTHORITY**”) APPROVING AND AUTHORIZING THE AUTHORIZED REPRESENTATIVE TO TAKE ALL ACTIONS NECESSARY TO CLOSE ON PROJECT FINANCING IN CONNECTION WITH THE COMPLETION OF CONSTRUCTION OF A 37-UNIT MULTIFAMILY RENTAL HOUSING PROJECT TO BE KNOWN AS REDWOOD CROSSINGS (THE “**PROJECT**”); TO SECURE PERMANENT FINANCING; TO SUBMIT ALL DOCUMENTS AS MAY BE NECESSARY TO COMPLETE THE PROJECT; AND TO SERVE AS THE SPONSOR AND GUARANTOR OF THE PROJECT.

WHEREAS, the Housing Authority was created under the laws of the State of Oregon for the purpose of financing, planning, undertaking, constructing and operating housing in the City of Salem.

WHEREAS, the Housing Authority has determined that it is consistent with its purpose to develop a 37-unit multifamily rental housing project to be known as Redwood Crossings located at 4075 and 4107 Fisher Road NE, Salem, Oregon (the “*Project*”).

WHEREAS, the Housing Authority previously adopted Resolution 2240 on March 25, 2019 (the “*Prior Resolution*”) authorizing the acquisition of the Project and formation of Redwood Crossings LLC, an Oregon limited liability company (the “*Company*”).

WHEREAS, the Project will be financed with (i) a construction loan from HDC Community Fund LLC, an Oregon limited liability company (“*HDC*”) in the approximate amount of \$550,000 (“*Construction Loan*”); (ii) a loan from the State of Oregon Housing and Community Services Department (“*OHCS*”) in the approximate amount of \$1,305,000 from its Local Innovation and Fast Track funds program (“*LIFT Loan*”); (iii) a loan from the State of Oregon Health Authority Health Systems Division (“*OHA*”) in the approximate amount of \$425,000 from its housing development funds (“*OHA Loan*”); (iv) a grant from Salem Health Foundation in the amount of \$270,000 (the “*SHF Funds*”); (v) a grant from the Urban Renewal Agency of the City of Salem, Oregon in the amount of \$300,000 (the “*URA Funds*”); (vi) a permanent loan from Network for Oregon Affordable Housing (“*NOAH*”) in the approximate amount of \$525,000 (the “*Permanent Loan*”) and (vii) a deferral of developer fee payable to the Housing Authority in the approximate amount of \$129,501 (the “*Deferred Fee*”). Collectively, the LIFT Loan, Construction Loan, SHF Funds, URA Funds, OHA Loan, and the Permanent Loan are referred to herein as the “*Project Financing*.”

WHEREAS, the Project will also be financed with an equity contribution from the Housing Authority in the approximate amount of \$775,000 (the “*HA Equity*”).

WHEREAS, the Housing Authority has selected the Project to receive Project Based Section 8 vouchers and desires to enter into an Agreement to Enter into Housing Assistance Payments Contract (the “*AHAP*”) and a Housing Assistance Payment Contract (the “*HAP*”) with the Company.

WHEREAS, the Company and Salem Health have entered into that certain Fisher Road NE Master Lease dated on or about August 1, 2019 for the lease of a portion of the Project (the “**Master Lease**”).

WHEREAS, to secure the Project Financing, the Housing Authority may be required to provide certain guaranties guaranteeing the payment and performance by the Company of its obligations under the Project Financing documents (the “**Loan Guaranties**”);

WHEREAS, the Board of Commissioners of the Housing Authority deem it to be in the best interests of the Housing Authority to take all actions reasonably necessary to (i) facilitate the closing of the Project Financing; (ii) defer a portion of the developer fee payable to the Housing Authority, (iii) make the HA Equity contribution, (iv) negotiate, enter into, execute and deliver such documents as the Authorized Representative deems necessary and appropriate in furtherance of the foregoing; and (v) complete development of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SALEM, OREGON AS FOLLOWS:

Section 1. BE IT RESOLVED that the Housing Authority, whether in its own capacity or its capacity as the manager of the Company, is hereby authorized to cause the Company to close on the Project Financing, including the execution and delivery of those documents identified in the attached Exhibit A and such other documents as may be required or desirable in connection with closing of the Project Financing, all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

Section 2. BE IT RESOLVED that the Housing Authority, whether in its own capacity or its capacity as the manager of the Company, is hereby authorized to execute and deliver such documents as may be required in connection with the Loan Guaranties, all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

Section 3. BE IT RESOLVED, that the Housing Authority, in its own capacity and its capacity as the manager of the Company, as the case may be, is hereby authorized to enter into the AHAP and the HAP, and such other documents as required to evidence and secure the Project Based Section 8 vouchers for the Project.

Section 4. BE IT RESOLVED that all actions of the Housing Authority, whether in its own capacity or its capacity as the manager of the Company, with respect to the execution of and delivery of the Master Lease are hereby ratified and affirmed.

Section 5. BE IT RESOLVED that the Housing Authority is hereby is hereby authorized to defer a portion of the developer fee to be paid from project operations in the amount of the Deferred Fee or such other amount as approved by the Authorized Representative.

Section 6. BE IT RESOLVED that the Housing Authority is hereby is hereby authorized to make the HA Equity contribution.

Section 7. BE IT RESOLVED that the following identified persons shall each be an "Authorized Representative," as that term is used in these Resolutions, and individually authorized, empowered and directed to execute by a single signature and perform, without the consent or signature of the other Authorized Representative or any other officer or person, the actions authorized herein on behalf of the Housing Authority (whether in its own capacity or its capacity as the manager of the Company).

- Steve Powers, Executive Director of the Housing Authority of the City of Salem, Oregon, or his designee
- Nicole Utz, Housing Administrator of the Housing Authority of the City of Salem, Oregon, or her designee
- Kristin Retherford, City of Salem Urban Development Director, or her designee

Section 8. BE IT RESOLVED, that any Authorized Representative is authorized to negotiate, execute and deliver on behalf of the Housing Authority (whether in its own capacity or its capacity as the manager of the Company), such other agreements, certificates, and documents, and to take or authorize to be taken all such other actions any Authorized Representative shall deem necessary or desirable to carry out the transactions contemplated by the foregoing Resolutions (such determination to be conclusively demonstrated by the signature of any Authorized Representative on such document); and

Section 9. BE IT FURTHER RESOLVED, that to the extent any action, agreement, document or certification has heretofore been taken, executed, delivered or performed by an Authorized Representative named in these Resolutions on behalf of the Housing Authority (whether in its own capacity or its capacity as the manager of the Company), and in furtherance of the Project, the same is hereby ratified and affirmed.

[Certification on Following Page]

ADOPTED by the Housing Authority of the City of Salem, Oregon Board of Commissioners this
___ day of _____, 2019.

ATTEST:

Recording Secretary

Approved by City Attorney: _____

EXHIBIT A
Project Financing Documents

Construction Loan

- 1) Line of Credit Instrument, Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing
- 2) Construction Loan Agreement
- 3) Promissory Note
- 4) Environmental and Hazardous Substances Indemnity Agreement
- 5) Assignment of Housing Assistance Payments Contract
- 6) Assignment of Construction Documents
- 7) Contractor's Agreement and Consent to Assignment of Construction Loan Documents
- 8) Guaranty
- 9) Priority and Subordination Agreement
- 10) Such other documents as required in connection with the closing of the Construction Loan

LIFT Loan

- 1) Inter-Creditor Agreement
- 2) Loan Agreement
- 3) Operating Agreement and Declaration of Land-Use Restrictive Covenants
- 4) Project Management Agreement
- 5) Promissory Note
- 6) Repayment and Completion Guaranty
- 7) Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents
- 8) Such other documents as required in connection with the closing of the LIFT Loan

OHA Loan

- 1) Community Housing Development Agreement
- 2) Community Housing Development Promissory Note
- 3) Trust Deed with Assignment of Rents
- 4) Such other documents as required in connection with the closing of the OHA Loan

Permanent Loan

- 1) Term Loan Agreement
- 2) Promissory Note
- 3) Deed of Trust
- 4) Pledge of Operating and Replacement Reserves
- 5) Certificate and Indemnity regarding Hazardous Substances and Accessibility Laws
- 6) Collateral Assignment of the Housing Assistance Payment Contract
- 7) Such other documents as required in connection with the closing of the Permanent Loan