

RESOLUTION NO. 4004

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD
APPROVING THE ISSUANCE OF BONDS IN ACCORDANCE WITH THE JOINT
POWERS AGREEMENT WITH THE SOLEDAD HOUSING AUTHORITY AND THE
HOUSING AUTHORITY OF MONTEREY COUNTY FOR THE PURPOSE OF
FINANCING THE BENITO STREET AFFORDABLE HOUSING PROJECT, TO BE
LOCATED AT 439 BENITO STREET**

WHEREAS, in accordance with a Joint Powers Agreement with the Soledad Housing Authority and the Housing Authority of the County of Monterey (the "Authority") is authorized to issue and sell revenue bonds for the purpose of financing multifamily rental housing facilities; and

WHEREAS, the Soledad Affordable Housing Limited Liability Corporation, a California nonprofit public benefit corporation ("Soledad Affordable Housing LLC"), on behalf of a limited partnership (the "Borrower") of which Soledad Affordable Housing LLC or another nonprofit corporation designated by the Authority will be the initial general partner, has requested that the Authority issue and sell revenue bonds in the approximate principal amount of \$20,000,000 (the "Bonds") for the purpose of making a loan to the Borrower, to enable the Borrower to finance the costs of acquisition and construction of a proposed 70 unit residential rental housing project, daycare center, a community center and a maintenance shop (the "Project") to be located at 439 Benito Street in the City of Soledad (the "City"); and

WHEREAS, as required by the Internal Revenue Code of 1986, as amended (the "Code"), all or a portion of the housing units in the Project will be rented to persons and families of low or very low income; and

WHEREAS, in order for the interest on the Bonds to be tax-exempt, Section 147W of the Code requires that an "applicable elected representative" with respect to the Authority hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds by the Authority following such hearing; and

WHEREAS, the Authority has determined that the City Council of the City of Soledad is an "applicable elected representative" to hold said public hearing because the Project is located within the City; and

WHEREAS, notice of said public hearing has been duly given as required by the Code, and the City Council has heretofore held the public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing of the Project and the Authority's issuance of the Bonds; and

WHEREAS, in order for the Authority to have jurisdiction to conduct the Bond financing program in the City, the City Council must provide its consent thereto; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance of the Bonds by the Authority and grant its consent to the operation of the Bond program by the Authority within the City, all for the aforesaid purposes.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Soledad, that:

1. The City Council hereby approves the issuance of the Bonds by the Housing Authority of the County of Monterey for the purpose of providing funds to make a loan to the Borrower to enable the Borrower to finance the Benito Street Affordable Housing Project.
2. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds or the issuance thereof.
3. The City Council hereby consents to the operation by the Authority within the City, as necessary or convenient for the implementation and administration of the Bond program for the financing of the Project.
4. The adoption of this Resolution shall not obligate (i) the City to provide any financing to acquire or construct the Project; or (ii) the City, the Planning Department of the City or any other department of the City to approve any application or request for, or take any other action in connection with, any planning approval, permit or other action necessary for the acquisition, construction or operation of the Project.
5. This Resolution shall take effect immediately upon its adoption.

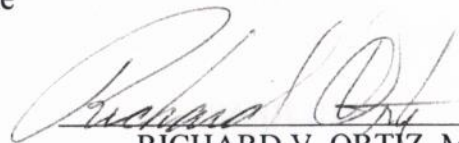
PASSED AND ADOPTED at a regular meeting of the City Council of the City of Soledad duly held on the 16th day of May 2007, by the following vote:

AYES, and in favor thereof, Councilmembers: Martha Camacho, Juan Saavedra, Patricia Stephens, Mayor Pro Tem Christopher Bourke, Mayor Richard Ortiz

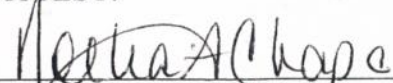
NOES, Councilmembers: None

ABSTAIN, Councilmembers: None

ABSENT, Councilmember: None


RICHARD V. ORTIZ, Mayor

ATTEST:


NOELIA F. CHAPA, City Clerk