

RESOLUTION NO. 2018-03

A RESOLUTION ESTABLISHING THE GREATER CINCINNATI NEIGHBORHOODS HOUSING REVITALIZATION LOAN FUND FOR AUTHORIZED PURPOSES OF THE REDEVELOPMENT AUTHORITY; AUTHORIZING THE ACCEPTANCE OF A LOAN, AND THE ISSUANCE, SALE AND DELIVERY OF A HOUSING AND COMMUNITY DEVELOPMENT REVENUE BOND TO EVIDENCE THE OBLIGATION TO REPAY SUCH LOAN, IN AN AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000, TO FINANCE COSTS OF PORT AUTHORITY FACILITIES FOR AUTHORIZED PURPOSES OF THE REDEVELOPMENT AUTHORITY BY FUNDING AN INITIAL DEPOSIT INTO SUCH FUND FOR LOANS TO ENTITIES MANAGED BY THE REDEVELOPMENT AUTHORITY TO PROVIDE FOR A PORTION OF THE COSTS INCURRED FOR SUCH FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT TO PROVIDE FOR THE TERMS OF THE BOND AND LOAN AND THE SECURITY THEREFOR; PLEDGING ALL PROJECT LOAN PAYMENTS AND OTHER FUND REVENUES, AND AUTHORIZING A COLLATERAL ASSIGNMENT OF THE SECURITY FOR EACH PROJECT LOAN, TO SECURE PAYMENT, WHEN DUE, OF SUCH BOND AND LOAN AND OF ANY OTHER BONDS ISSUED BY, OR LOANS MADE TO, THE REDEVELOPMENT AUTHORITY TO OBTAIN FUNDING FOR SUCH LOAN FUND; AUTHORIZING OTHER INSTRUMENTS, AGREEMENTS AND DOCUMENTS PERTAINING TO THE LOAN FUND AND PROGRAM; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the “authorized purposes” of the Greater Cincinnati Redevelopment Authority (“Redevelopment Authority”), pursuant to and as defined in Sections 4582.21, *et seq.*, of the Ohio Revised Code (together with other authorities therein mentioned, the “Enabling Act”), include activities that enhance, foster, aid, provide, or promote housing and economic development throughout the City of Cincinnati, Ohio (“City”) and the County of Hamilton, Ohio (“County”) and other activities authorized within the State of Ohio (“State”) by Article VIII, Sections 13 and 16 of the Ohio Constitution, including activities that provide, or assist in providing, housing in the State for individuals and families to enhance the availability of adequate housing in the State and improve the economic and general well-being of the people of the State and, pursuant to such authority and a comprehensive strategic planning process, the Redevelopment Authority has developed, adopted and begun to implement a strategy to assist in forming successful neighborhood ecosystems where residents and others feel safe, create and have jobs and employment opportunities, and have access to adequate, diverse and cost-effective housing options (“Neighborhood Investment Strategy”); and

WHEREAS, pursuant to the Neighborhood Investment Strategy, the Redevelopment Authority, both directly and through its management of the Hamilton County Land Reutilization Corporation (“Landbank”) and the Homesteading and Urban Redevelopment Corporation (“HURC”), has undertaken projects and programs throughout the City and County for the acquisition, construction, reconstruction, equipping, furnishing, improvement and other development, redevelopment and rehabilitation of housing, with a focus on single family housing (1 - 4 units) in neighborhoods identified as under-resourced by the Redevelopment Authority, to support neighborhood revitalization and renewal, improve property values, increase and facilitate homeownership, enable neighborhood residents to build wealth, promote economic inclusion and aid in the formation, development and maintenance of successful and sustainable neighborhoods with adequate, diverse and cost-effective housing options (“Program Purposes”); and

WHEREAS, this Board has now determined that it is necessary and desirable to establish a revolving loan fund in support of the Program Purposes (“Program Fund”) to finance “costs” of “port authority facilities”, each under and as defined in the Enabling Act, for the Program Purposes through loans (“Project Loans”) by the Redevelopment Authority from the Program Fund to the LandBank, the HURC or other entities managed, directly or indirectly, by the Redevelopment Authority (“Managed Entities”) to pay

or provide for a portion of the costs ("Project Costs") of the acquisition, construction, reconstruction, equipping, furnishing, improvement and other development, redevelopment and rehabilitation of housing facilities (each a "Project") in furtherance of the Program Purposes; and

WHEREAS, in furtherance of the Program Purposes, the Redevelopment Authority is authorized and empowered, by virtue of the laws of the State including the Enabling Act, among other things (a) to establish and provide for the "Greater Cincinnati Neighborhoods Housing Revitalization Loan Fund" as the Program Fund for the purposes and in the manner contemplated herein; (b) to fund, and to seek and secure capital funding for, the Program Fund through loans, grants and other activities authorized or permitted under the Enabling Act, and to issue its revenue bonds for the purpose of paying "costs" of "port authority facilities", both terms used as defined in the Enabling Act, in consideration of, and to evidence its obligations with respect to any such loan; (c) to enter into one or more loan agreements to provide for the terms of and security for any such loan and revenue bonds, including the pledge or assignment of revenues ("Revenues") sufficient to pay the principal of and interest and any premium on those revenue bonds and the collateral assignment of any security obtained for the repayment of Project Loans made from the Program Fund; (d) to make Project Loans from the Program Fund to pay or provide for Project Costs of and for Projects in furtherance of the Program Purposes as contemplated herein and in any such loan agreement, and to make and enter into a loan agreement or master loan agreement with any Managed Entity ("Project Loan Agreement") and such other instruments or agreements as shall be reasonably necessary or desirable in connection with the execution of and security for any such Project Loans (collectively "Project Loan Documents"); (e) to make and enter into such other contracts and agreements, and to execute such other instruments, as may be necessary, desirable or included in any of the foregoing for the exercise of powers otherwise granted to the Redevelopment Authority under the Enabling Act, including an agreement to provide for the deposit, custody, investment and disbursement of the Program Fund and any Revenues and for any required paying agent or other agency services related to its revenue bonds; and (f) to adopt this resolution, execute and deliver the Agreement (as defined herein), issue, sell and deliver the Bond (as defined herein) and execute and deliver the Project Loan Documents and such other instruments and agreements as are provided for herein, all upon the terms and conditions provided herein and in the Agreement; and

WHEREAS, pursuant to Act and for the Program Purposes, in order to provide for the initial capitalization of the Program Fund and thereby provide a source from which to make Project Loans to finance Project Costs in furtherance of the Program Purposes, this Board has determined that it is necessary and proper and in the best interest of the Redevelopment Authority for the Redevelopment Authority to accept an impact investment in the Program Fund in the form of a loan ("Loan") from The Greater Cincinnati Foundation, an Ohio nonprofit corporation ("Investor" or "Lender"), and to issue a port authority revenue bond to the Investor, in an aggregate principal amount of \$1,000,000 ("Bond"), in consideration of and to evidence the obligations of the Redevelopment Authority with respect to the Loan and the repayment of the principal of and interest on the Bond and Loan ("Debt Service"), and to enter into a loan agreement with the Investor ("Agreement") to provide for the terms of and security for the Bond, including the assignment of Revenues sufficient to pay Debt Service ("Pledged Revenues"), including in such Pledged Revenues any unencumbered Program Fund deposits, Project Loan payments, amounts realized on the collateral for any such Project Loans (up to the amount due on the applicable Project Loan) and other amounts intended to be used to pay Debt Service, including any make-up payments required from Project Loan Borrowers;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Greater Cincinnati Redevelopment Authority:

Section 1. Recitals; Captions; Definitions. This Board hereby adopts, confirms and restates, as fully as if set forth in this Section 1, the recitals to this resolution, all of which are incorporated herein by reference as a statement of the findings and determinations of this Board, including as to the public purposes of the Redevelopment Authority in implementing the Neighborhood Investment Strategy, adopting this resolution, establishing the Program Fund, accepting the Loan and issuing the Bond, entering into the Agreement and making each of the Project Loans. The captions and headings in this resolution are solely for convenience of reference and do not define, limit or describe the scope or intent of any provisions or Sections of this resolution.

Capitalized terms not defined by reference to the recitals or otherwise defined herein are used with the meanings given in or pursuant to the Agreement.

Section 2. Additional Determinations by the Board. In addition to and not in derogation of the findings and determinations of this Board stated in the recitals and incorporated into Section 1 hereof, this Board hereby further finds and determines, or confirms its prior findings and determinations, that pursuant to the authority of the Enabling Act, (i) it is necessary and proper and in the best interest of the Redevelopment Authority to, and the Redevelopment Authority shall, issue, sell and deliver the Bond to the Investor in consideration of, and to evidence, the Loan made by the Investor to the Redevelopment Authority under the Agreement, in an aggregate principal amount of \$1,000,000, as provided and authorized herein and in the Agreement, for the purpose of making Project Loans to finance Project Costs for the Program Purposes; (ii) the use of proceeds of the Bond to make Project Loans to finance Project Costs is consistent with the purposes of the Enabling Act, will further the Program Purposes and will benefit the people of the State, including those within the jurisdiction of the Redevelopment Authority, by, among other benefits (A) enhancing, fostering, aiding, promoting or providing housing within the City and County, and (B) providing for acquisition, construction, reconstruction, equipping, furnishing, improvement and other development, redevelopment and rehabilitation of housing, with a focus on single family housing in neighborhoods identified as under-resourced by the Redevelopment Authority, and thereby provide, or assist in providing, housing in the State for individuals and families to enhance the availability of adequate housing in the State and improve the economic and general well-being of the people of the State consistent with Article VIII, Section 16, of the Ohio Constitution; (iii) the terms of the Bond, as contained herein and in the form of Agreement on file with the Secretary of this Board, are satisfactory and are hereby approved with such changes as shall be consistent herewith and with the Enabling Act and the Agreement, as shall not be substantially adverse to the Redevelopment Authority and as shall be approved by the officials executing the same, which approval (and that any changes are not substantially adverse to the Redevelopment Authority) shall be conclusively evidenced by execution and delivery of the Bond in accordance herewith; (iv) the terms of the Agreement, in the form on file with the Secretary of this Board, are satisfactory and are hereby approved with such changes as shall be consistent herewith and with the Enabling Act, as shall not be substantially adverse to the Redevelopment Authority and as shall be approved by the officials executing the same, which approval (and that any changes are not substantially adverse to the Redevelopment Authority) shall be conclusively evidenced by execution and delivery of the Agreement in accordance herewith; (v) the Bond, and the Loan evidenced thereby, shall be payable only from and shall be secured by the Pledged Revenues assigned thereto pursuant to the Agreement; and (vi) the Project Loans shall be made by the Redevelopment Authority pursuant to the Project Loan Documents only for the Program Purposes consistent with and as authorized by the Agreement and the security obtained by the Redevelopment Authority under the Project Loan Documents will be subject to a collateral assignment to the Investor; provided, however, that all security provided to the Lender shall be provided on the express condition that it may be subsequently provided, *pari passu*, to any future lenders to or investors in the Program Fund to secure the payment of principal and interest on any Additional Obligations (as defined below).

Section 3. Issuance of Bond; Loan. The Redevelopment Authority is hereby authorized to issue, sell and deliver the Bond in consideration of and to evidence the Loan made by the Lender to the Redevelopment Authority under the Agreement, in an aggregate principal amount of \$1,000,000 to obtain funds for deposit into the Greater Cincinnati Neighborhoods Housing Revitalization Loan Fund established hereunder and to be used to make Project Loans to pay Project Costs for the Program Purposes. The Bond shall be issuable only in definitive (certificated) fully-registered form, signed by any one or more of the President of the Redevelopment Authority and the Chair and Vice Chair of this Board (each an "Executive Officer"), and by the Secretary (if not signing as an Executive Officer) or an Assistant Secretary of this Board (each a "Fiscal Officer" and collectively, together with the Executive Officers, "Authorized Officers") in the name of the Redevelopment Authority and in their official capacities; provided that one or both of such signatures may be a facsimile. The Secretary (or other Fiscal Officer on behalf of the Secretary) shall act as the registrar for the Bond ("Registrar") and will maintain, on behalf of the Redevelopment Authority, a register evidencing the ownership of the Bond and the outstanding principal amount thereof, including any and all related advances or disbursements and payments or prepayments, all as further described and provided in the Agreement. The Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under this resolution or the Agreement unless and until the certificate of authentication on the Bond is signed by the Registrar.

The Bond shall be designated the “Port of Greater Cincinnati Development Authority Housing and Community Development Revenue Bond (Greater Cincinnati Neighborhoods Housing Revitalization Loan Fund)”, with such additional or alternative designations as are deemed necessary or desirable by the Authorized Officers executing the same, and shall be issued in the form authorized and set forth in the Agreement. The Bond shall be issued in a single bond certificate representing the entire principal amount of the Bond, but the Bond may be exchanged or replaced from time to time, including on any assignment permitted under the Agreement or upon satisfactory proof and indemnity if lost, stolen or destroyed, on terms satisfactory to the Registrar, including provision for cancellation of any Bond surrendered. Any Bond so issued may be executed by officials constituting Authorized Officers at the time of signing regardless of whether they shall be Authorized Officers at the time of authentication and delivery.

The Bond shall be dated the date of its issuance and the outstanding principal amount of the Bond shall bear interest at the rate or rates established in or pursuant to the Agreement and approved by an Authorized Officer, with that determination conclusively evidenced by the execution and delivery of the Agreement by an Authorized Officer. The average interest rate on the Bond shall not exceed 2.00% per year exclusive of any periods when it shall bear interest at a “default rate”, not to exceed 5% per year, in accordance with the Agreement. The Bond shall mature, subject to optional redemption in accordance with the Agreement, on April 1, 2025 (“Maturity Date”). Interest on the Bond shall be payable on January 1, April 1, July 1 and October 1 of each year, commencing July 1, 2019 (“Interest Payment Dates”) until the Maturity Date, or until the principal amount is paid or duly provided for (or deemed paid and provided for in accordance with the Agreement), and shall be payable, at the applicable rate or rates, from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date. Interest on the outstanding principal amount of the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months (and actual days for any partial month). The Bond shall have such other terms as are provided therein and in the Agreement.

Section 4. Sale of the Bond. The Bond shall be sold to the Investor in consideration of the making of the Loan to the Redevelopment Authority in accordance with the Agreement, at a purchase price equal to 100% of the principal amount thereof payable on the date of issuance of the Bond and otherwise on the terms and conditions established in the Agreement and approved by the Authorized Officer or Officers signing the Agreement, such approval to be evidenced conclusively by execution and delivery of the Agreement by any Authorized Officer. It is determined by this Board that the price for and the terms of the Bond, and of the Loan, and the sale and delivery of the Bond in consideration of the making of the Loan to the Redevelopment Authority, all as provided in and pursuant to this resolution and the Agreement, are in the best interest of the Redevelopment Authority and are in compliance with all legal requirements.

Section 5. Creation of Program Fund; Deposit, Custody and Application of Proceeds; Project Loan Documents. The Greater Cincinnati Neighborhoods Housing Revitalization Loan Fund is hereby created as a special separate and segregated fund of the Redevelopment Authority, available for and restricted to the Program Purposes, including (i) making Project Loans to Managed Entities to finance Project Costs in furtherance of the Program Purposes consistent with the Agreement, all as determined by an Authorized Officer, such determination to be evidenced conclusively by execution and delivery of the applicable Project Loan Agreement and an order of an Authorized Officer approving the Project and directing disbursement of the proceeds of the Project Loan (“Project Loan Order”), and (ii) securing, and providing for Pledged Revenues sufficient to pay Debt Service on, the Bond (and Loan) and on any other obligations issued by the Redevelopment Authority to obtain funds to provide for the capitalization of the Fund (“Additional Obligations”), which obligations may be secured *pari passu* with the Bond (and Loan) in accordance with the Agreement.

The proceeds from the sale of the Bond, upon receipt, shall be promptly and directly deposited into the Program Fund and shall be disbursed from time to time by or on the order of an Authorized Officer to make Project Loans documented and made in accordance with the Agreement (and applicable Project Loan Documents), to pay Debt Service on the Bond and Loan, or to pay principal of and interest due on Additional Obligations. The proceeds from the sale of any Additional Obligations, upon receipt, shall be promptly and directly deposited into the Fund and shall be disbursed from time to time by or on the order of an Authorized

Officer to make Project Loans documented and made in accordance with the terms of the applicable agreements (and applicable Project Loan Documents), to pay Debt Service on the Bond and Loan, or to pay principal of and interest due on Additional Obligations. All payments made on any Project Loans, and all proceeds from the enforcement of any such Project Loan (including proceeds received from the lease, use, sale or other disposition of any collateral securing any Project Loan up to the amount due with respect to such Project Loan), upon receipt, shall be promptly and directly deposited into the Program Fund and shall be disbursed from time to time by or on the order of an Authorized Officer to make Project Loans documented and made in accordance with the terms of the applicable agreements (and applicable Project Loan Documents), to pay Debt Service on the Bond and Loan, or to pay principal of and interest due on Additional Obligations.

Separate accounts and subaccounts may be established in the Program Fund for such purposes and on such terms as an Authorized Officer shall deem advantageous to the Redevelopment Authority. Amounts on deposit in the Program Fund may be invested and reinvested from time to time as determined or directed by a Fiscal Officer in any Eligible Investments (using that term with the same meaning as it is given in the "Trust Agreement" executed and delivered by the Redevelopment Authority pursuant to Resolution No. 2016-09 adopted by this Board on March 9, 2016). The proceeds of the sale of any such investments and all interest or other earnings thereon or therefrom, shall be deposited immediately upon receipt into the Program Fund and thereafter used for the purposes thereof.

To the extent, if any, that amounts are on deposit in the Program Fund and are not encumbered to pay or provide for Project Costs under any applicable Project Loan Agreement, such amounts shall be used by or on direction of the Fiscal Officer to pay Debt Service when due on the Bond (and Loan) and principal and interest, when due, on any Additional Obligations issued and secured *pari passu* with the Bond and, if all such payments are current, then to the payment of any other obligations payable therefrom. If and as determined to be beneficial to the Redevelopment Authority for purposes of managing and administering the Program Fund, the Bond and Loan, any Additional Obligations, the Project Loans and the security therefor, or any other matters relating to the Program Purposes, each Authorized Officer (alone or together with any other Authorized Officer) is hereby authorized to enter into an agreement, in the name and on behalf of the Redevelopment Authority, with a bank or trust company authorized under the Enabling Act to serve as a bond trustee to act as the agent of the Redevelopment Authority for the provision of custodial, depositary, paying agent and other related services in such form and on such terms, including the payment of such fees, as are determined by the Authorized Officer executing such agreement to be reasonable and customary for the services to be provided (such determination to be conclusively evidenced by the execution and delivery of the related agreement).

Each Project Loan shall be documented in accordance with the requirements of the Agreement, including a Project Loan Agreement consistent therewith, a Project Loan Order of an Authorized Officer and provision of a first mortgage lien on the Project financed (each a "Project Mortgage"), which Project Mortgage shall be subject to a collateral assignment in favor of the Lender (and the lenders or investors holding any Additional Obligations issued and secured *pari passu* with the Bond). Each Authorized Officer (alone or together with any other Authorized Officer) is hereby authorized to execute and deliver, in the name and on behalf of the Redevelopment Authority (as Project Loan lender), each Project Loan Agreement, each Project Loan Order and any other Project Loan Documents to be executed and delivered by the Redevelopment Authority pursuant to any such Project Loan Agreement or otherwise related to or in connection with any Project Loan.

Section 6. Security; Pledged Revenues. The Bond, the Loan and the Agreement (including the Pledged Revenues and/or the assignment of the security for the Project Loans thereunder) do not and shall not pledge the general credit or taxing power of the Redevelopment Authority or of the State or any political subdivision thereof, and nothing herein or in the Bond or the Agreement, or in any other instrument or agreement authorized herein, shall constitute a general obligation, debt or bonded indebtedness of the Redevelopment Authority, the State or any political subdivision thereof; and further, nothing therein gives the Lender or any owner of the Bond, and they do not have, the right to have excises or taxes levied by this Board, or by the State or the taxing authority of any other political subdivision for the payment of Debt Service. The Bond and the Loan are payable solely from the Pledged Revenues, including amounts from time to time on deposit or to be deposited in the Program Fund and available therefor, all as further provided herein and in the

Agreement, and the Bond and the Agreement shall contain statements to that effect; provided, however, that nothing herein, in the Bond or the Agreement shall be deemed to prohibit the Redevelopment Authority, of its own volition, from using to the extent it is lawfully authorized to do so, upon appropriation by this Board, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of this resolution, the Agreement or the Bond.

Section 7. Covenants of Redevelopment Authority. In addition to the other covenants and agreements of the Redevelopment Authority herein and in the Agreement, the Redevelopment Authority, by issuance of the Bond, covenants and agrees with the owner thereof that: (a) the Redevelopment Authority will use proceeds of the Bond to make Project Loans to finance Project Costs for Program Purposes in accordance herewith and with the Agreement; (b) the Redevelopment Authority will, for accounting purposes, segregate the Program Fund and the Pledged Revenues from all other revenues and funds of the Redevelopment Authority; (c) the Redevelopment Authority will, at any and all times, cause to be done all such further acts and things and cause to be executed and delivered all such further instruments as may be necessary to carry out the purpose of the Agreement, the Loan, the Bond and this resolution or as may be required by the Enabling Act, and will comply with all requirements of law applicable to the Bond; (d) the Redevelopment Authority will observe and perform all of its agreements and obligations provided for by this resolution, the Bond and the Agreement, and the obligations of the Redevelopment Authority hereunder and thereunder are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the Redevelopment Authority within the meaning of Section 2731.01, Ohio Revised Code; and (e) the Redevelopment Authority will, solely from and to the extent of the Pledged Revenues, pay or cause to be paid all required Debt Service on the dates, at the places and in the manner provided herein and in the Bond.

Section 8. Agreement and Other Documents. To provide for the Loan and the issuance and sale of, and security for the payment of Debt Service on, the Bond, each Authorized Officer, alone or together with any other Authorized Officer, is hereby authorized, for and in the name of the Redevelopment Authority, to execute and deliver the Agreement, in substantially the form thereof now on file with the Secretary, with such changes therein as are not inconsistent with this resolution and not substantially adverse to the Redevelopment Authority and which are permitted by the Enabling Act and shall be approved by the officer or officers executing those documents. The approval of such changes, and that such changes are not substantially adverse to the Redevelopment Authority, shall be conclusively evidenced by the execution of those documents by any Authorized Officer. In addition to the foregoing authorization and all other authorizations herein, each Authorized Officer is further authorized and directed to execute any certificates and certifications, instruments and agreements (including amendments of or supplements to, and assignments or assumptions of, instruments and agreements), notices, directions, orders, statements, assignments, estoppels, instruments and other documents of any kind whatsoever, and to take all such other and further actions, as are necessary or desirable and appropriate to provide for the issuance of the Bond in consideration of and to evidence the Loan, and to otherwise consummate the transactions contemplated in this resolution, the Bond and the Agreement, to obtain additional capital for the Program Fund, and to make, implement, administer and enforce the Project Loans and thereby implement the Program Purposes. All actions heretofore taken by any of the officers and other officials of the Redevelopment Authority or this Board in connection with any of the matters referred to in this resolution are hereby adopted, ratified and approved.

Section 9. Severability. Each section of this resolution and each subdivision or paragraph of any section hereof and each sentence of a paragraph hereof is hereby declared to be independent and the finding or holding of any section or any subdivision, paragraph or sentence hereof to be invalid or void shall not be deemed or held to affect the validity of any other section, subdivision, paragraph or sentence of this resolution.

Section 10. Compliance with Open Meeting Law. This Board finds and determines that all formal actions of this Board or any of its committees concerning and relating to the adoption of this resolution were taken in an open meeting of this Board or committee and that all deliberations of this Board or any such committee that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 11. Effective Date. This resolution shall take effect and be in force immediately upon its adoption.

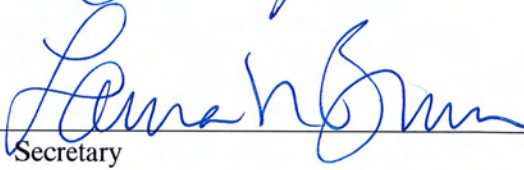
Adopted: March 14, 2018

Yeas: 6

Nays: 0

Abstention: 1


Chairperson

Attest: 
Secretary