

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1744

DATE OF FINAL PASSAGE AUG. 1 2017

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO SETTING FORTH ITS OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO FINANCE THE POST 310 APARTMENTS PROJECT AND AUTHORIZING RELATED ACTIONS.

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code, as amended (Act), the Housing Authority of the City of San Diego (Authority) is authorized to issue revenue bonds for the purpose of financing the acquisition, construction, and equipping of multifamily affordable housing and for the provision of capital improvements in connection with and determined necessary to the multifamily affordable housing; and

WHEREAS, Hitzke Development Corporation (Hitzke) and Housing Innovation Partners have requested that the Authority issue and sell multifamily housing revenue bonds (Bonds) pursuant to the Act for the purpose of making a loan to Post 310 Housing San Diego LP, a California limited partnership, or an affiliate of Hitzke (Borrower), to be used by the Borrower to finance the acquisition, construction, and equipping of the "Post 310 Apartments", a multifamily affordable housing development to be located at 465 North 47th Street, in San Diego, California, anticipated to include a total of 43 rental units, 42 of which will be income and rent restricted and occupied by very low or low-income tenants at affordable rents (Project); and

WHEREAS, as a part of financing the Project, the Authority desires to reimburse the Borrower, but only from proceeds of the Bonds, for expenditures (Reimbursable Expenditures)

made in connection with the Project within the period from the date sixty (60) days prior to the adoption of this Resolution to the date of issuance of the Bonds; and

WHEREAS, sections 1.103-8(a)(5) and 1.150-2 of the United States Treasury Regulations (Treasury Regulations) require that the Authority declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority intends to authorize the issuance of the Bonds for the purpose of financing the costs of the Project (including reimbursement of the Reimbursable Expenditures, when so requested by the Borrower upon such terms and conditions as may then be agreed upon by the Authority, the Borrower, and the purchaser of the Bonds) in a principal amount not to exceed \$9,000,000; and

WHEREAS, section 146 of the Internal Revenue Code of 1986 limits the amount of tax-exempt multifamily housing revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation of authority to issue such bonds within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of authority to issue tax-exempt multifamily housing revenue bonds among governmental units in the State of California having the authority to issue such bonds; and

WHEREAS, California Government Code section 8869.85 requires a local agency desiring an allocation of authority to issue tax-exempt multifamily housing revenue bonds to file an application with the California Debt Limit Allocation Committee (CDLAC) for such

allocation, and CDLAC has certain policies that are to be satisfied in connection with any such allocation; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of San Diego, as follows:

Section 1. Findings and Determinations.

(a) The above recitals, and each of them, are true and correct. The Authority determines that it is necessary and desirable to provide financing for the Project (including reimbursement of the Reimbursable Expenditures) by the issuance and sale of the Bonds pursuant to the Act in a principal amount not to exceed \$9,000,000, subject to authorization of the issuance of the Bonds by resolution of the Authority at a subsequent meeting of the Authority.

(b) Proceeds of the Bonds to be used to reimburse for Project costs are not expected to be used directly or indirectly to pay debt service with respect to any obligation of the Authority, be held as a reasonably required reserve or replacement fund with respect to an obligation of the Authority or any entity related in any manner to the Authority, reimburse any expenditure that was originally paid with the proceeds of any obligation of the Authority, or replace funds that are or will be used in such manner.

(c) As of the date of this Resolution, the Authority has a reasonable expectation that the Bonds will be issued to reimburse Project costs. This Resolution is consistent with the budgetary and financial circumstances of the Authority. The Bonds will be repaid solely from proceeds of the Bonds and amounts paid by the Borrower. No moneys are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Authority (or any related party) pursuant to its budget or financial policies to repay the Bonds.

Section 2. Declaration of Official Intent. This Resolution is being adopted by the Authority in part for the purpose of establishing compliance with the requirements of sections 1.103-8(a)(5) and 1.150-2 of the Treasury Regulations. In such regard, the Authority declares its official intent to use proceeds of the Bonds to reimburse the Reimbursable Expenditures. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained in this Resolution shall be construed to signify that the Project complies with applicable planning, zoning, subdivision, environmental, and building laws and ordinances or to suggest that the Authority, the City of San Diego (City), or any officer or agent of the City will grant any approval, consent, or permit that may be required in connection with the acquisition, construction, and equipping of the Project, or that either the Authority or the City will make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

Section 3. Applications to CDLAC. The officers and/or the program managers of the Authority are authorized and directed to apply to CDLAC for an allocation from the state ceiling of private activity bonds for the Bonds to be issued by the Authority for the Project in an amount not to exceed \$9,000,000 and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits, the provision of certificates, and the submittal of additional applications to CDLAC (if necessary), and any prior such actions taken by such officers and program managers are ratified, approved, and confirmed.

Section 4. Approval of Bond Counsel and Financial Advisor. The financing team of Quint & Thimmig LLP, as bond counsel, and CSG Advisors, as financial advisor, is approved for the Project.

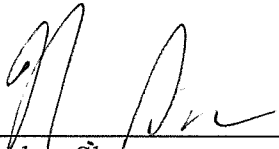
Section 5. Authority of President and Chief Executive Officer of Housing

Commission. The President & Chief Executive Officer of the Housing Commission, or designee, is authorized to execute all necessary documents, in a form approved by its General Counsel and/or Bond Counsel, and to perform such acts as are necessary or appropriate to implement the approvals provided for in this Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED: MARA W. ELLIOTT, General Counsel

By



Nathan Slegers
Deputy General Counsel

NLJS:dkr
July 3, 2017
Or.Dept: Housing Authority
Doc. No. 1541188

Passed and adopted by the Housing Authority of the City of San Diego on August 1, 2017, by the following vote:

| | Yeas | Nays | Excused | Not Present |
|-----------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Barbara Bry | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lorie Zapf | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Chris Ward | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Myrtle Cole | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mark Kersey | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Chris Cate | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Scott Sherman | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| David Alvarez | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Georgette Gomez | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

AUTHENTICATED BY:

Myrtle Cole

 Chair of the Housing Authority
 of the City of San Diego, California

Richard C. Gentry

 Executive Director of the Housing Authority
 of the City of San Diego, California

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. **1744** passed and adopted by the Housing Authority of the City of San Diego, California on August 1, 2017.

By:



Scott Marshall
 Deputy Secretary of the Housing Authority
 of the City of San Diego, California