

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1754

DATE OF FINAL PASSAGE OCT 10 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 HOLLYWOOD PALMS II APARTMENTS AND AUTHORIZING RELATED ACTIONS.

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, 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, rehabilitation, and equipping of multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to the multifamily rental housing; and

WHEREAS, Affirmed Housing Group, as sponsor (Affirmed), has requested that the Authority issue and sell multifamily housing revenue bonds (Bonds) pursuant to the Act for the purpose of making a loan to a limited partnership to be formed by Affirmed (Borrower), to be used by the Borrower to finance the acquisition, rehabilitation, and equipping of a multifamily rental housing development generally known as "Hollywood Palms II Apartments" located at 4372 Home Avenue, San Diego, California, and anticipated to include 94 rental units (Project); and

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

in connection with the Project within the period from the date 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 require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority adopted its Resolution HA-1723 on March 6, 2017, declaring its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement 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 an aggregate principal amount not to exceed \$19,500,000, as set forth in Exhibit A attached to Resolution HA-1723; and

WHEREAS, the Authority intends to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement 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 an increased aggregate principal amount not to exceed \$21,000,000; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of 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 within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, California Government Code section 8869.85 requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (CDLAC) for such allocation, and the CDLAC has certain policies that must 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 to the Borrower for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act in aggregate principal amount not to exceed \$21,000,000, subject to authorization of the issuance of the Bonds by resolution of the Authority at a subsequent meeting of the Authority. The expected date of issue of the Bonds is within eighteen (18) months of the later of the date the first Reimbursement Expenditure was made and the first date the Project is placed in service and, in any event, no later than three years after the date of the first Reimbursement Expenditure.

(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, or replace funds that are or will be used in such manner.

(c) As of the date hereof, 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 other 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 for purposes 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 indebtedness to reimburse the Reimbursement 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 the planning, zoning, subdivision, environmental, and building laws and ordinances applicable thereto or to suggest that the Authority, the City of San Diego (City), or any officer or agent of the City will grant any such approval, consent, or permit that may be required in connection with the acquisition, rehabilitation, 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 to be issued by the Authority for the Project in an amount not to exceed \$21,000,000, 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 and the provision of certificates, additional applications to CDLAC (if necessary), and any such

prior actions taken by such officers and program managers are ratified, approved, and confirmed.

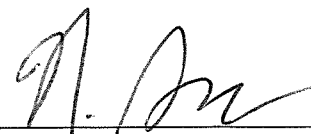
Section 4. Approval of Bond Counsel and Financial Advisor. The financing team of Jones Hall, A Professional Law Corporation, as bond counsel, and Public Financial Management, as financial advisor, is approved for this Project.

Section 5. Authority of President & 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 to implement the approvals provided for in this Resolution.

Section 6. Supplement to Resolution HA-1723. This Resolution is intended to authorize an increased expected maximum principal amount of the Bonds. It is not intended to repeal Resolution HA-1723 to the extent such prior resolution established a reimbursement date with respect to the expected maximum principal amount of Bonds set forth in that prior resolution.

Section 7. 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
September 26, 2017
Or.Dept: Housing Authority
Doc. No. 1590918

Passed and adopted by the Housing Authority of the City of San Diego on October 10, 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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. **1754** passed and adopted by the Housing Authority of the City of San Diego, California on October 10, 2017.

By:


Scott Marshall

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