

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1748

DATE OF FINAL PASSAGE AUG -1 2011

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,000,000 TO FINANCE THE CONSTRUCTION AND EQUIPPING OF THE LUNA AT PACIFIC HIGHLANDS RANCH APARTMENTS PROJECT, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND 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 to finance the construction, and equipping of multifamily rental housing and provide capital improvements in connection with and determined necessary to the multifamily rental housing; and

WHEREAS, Luna Family Housing, L.P., a California limited partnership (Borrower), has requested that the Authority issue tax-exempt multifamily housing revenue bonds to finance the Borrower's construction and equipping of a multifamily residential rental housing facility known as "Luna at Pacific Highlands Ranch Apartments" (Project), which consists of 77 apartment units plus two manager's units located at block 6000 of Carmel Valley Road in the City of San Diego; and

WHEREAS, the Board of Commissioners of the Authority (Board) desires that a portion of the units in the Project be available for low and very low income persons, and to accomplish

such purpose it is desirable for the Authority to provide to issue tax-exempt multifamily housing revenue bonds to help finance the Project; and

WHEREAS, the Authority intends to issue its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Luna at Pacific Highlands Ranch), Series 2017F-1 (Senior Bonds), and its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Luna at Pacific Highlands Ranch), Subordinate Series 2017F-2 (Subordinate Bonds, and, together with the Senior Bonds, the Bonds), in one or more series, in an aggregate principal amount not to exceed \$24,000,000; and

WHEREAS, the Senior Bonds are expected to be purchased by Bank of America, N.A. or an affiliate (Senior Purchaser) in one or more series in a private placement to the Senior Purchaser, and the Subordinate Bonds are expected to be purchased by Luna Investments, LLC, a Delaware limited liability company (Subordinate Purchaser), in one or more series in a private placement to the Subordinate Purchaser; and

WHEREAS, the Authority will loan the proceeds of the Bonds to the Borrower, and the Borrower will use the proceeds of the Bonds to finance costs of the construction and equipping of the Project and the costs of issuing the Bonds; and

WHEREAS, the City Council of the City of San Diego, by its Resolution R-310965, effective March 15, 2017, approved the Authority's issuance of the Bonds, after publication of a "TEFRA" notice and the holding on March 6, 2017 of a "TEFRA" hearing, as required by the Internal Revenue Code of 1986, as amended, and applicable United States Treasury Regulations; and

WHEREAS, California Government Code Section 8869.85 requires that a local agency file an application with the California Debt Limit Allocation Committee (CDLAC) and obtain the CDLAC's authorization to issue tax-exempt multifamily housing revenue bonds; and

WHEREAS, the CDLAC has allocated to the Project \$24,000,000 of the State of California 2017 State ceiling for private activity bonds under Section 146 of the Internal Revenue Code of 1986; and

WHEREAS, the following documents are presented for consideration:

(1) The form of Senior Indenture (Senior Indenture), by and between the Authority and Wilmington Trust, National Association, as senior trustee (Senior Trustee), including the related form of the Senior Bonds;

(2) The form of Loan Agreement with respect to the Senior Bonds, by and among the Authority (Senior Loan Agreement), the Senior Trustee and the Borrower;

(3) The form of Subordinate Indenture (Subordinate Indenture), by and between the Authority and Wilmington Trust, National Association, as subordinate trustee (Subordinate Trustee), including the related form of the Subordinate Bonds;

(4) The form of Loan Agreement with respect to the Subordinate Bonds (Subordinate Loan Agreement), by and among the Authority, the Subordinate Trustee, and the Borrower;

(5) The form of Subordinate Bond Purchase Agreement by and among the Authority, the Borrower, and the Subordinate Purchaser;

(6) The form of Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), by and among the Authority, the Senior Trustee, and the Borrower;

(7) The form of Assignment of Deed of Trust and Related Documents (Senior Assignment) by the Authority in favor of Bank of America, N.A., the initial purchaser of the Senior Bonds; and

WHEREAS, each of the above-referenced documents is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended; NOW, THEREFORE,

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

Section 1. Finding and Determination. It is found and determined that it is necessary and desirable for the Authority to provide for the financing of the construction and equipping of the Project through the issuance and sale of the Bonds in one or more series in order to assist persons of low and very low income within the City of San Diego in obtaining decent, safe, and sanitary housing and to achieve certain other public purposes.

Section 2. Authorization of Bonds. For the purpose of financing the construction and equipping of the Project, the Authority approves the issuance of the Bonds in one or more series in an aggregate principal amount not to exceed \$24,000,000. The Senior Bonds shall initially be issued in one or more series in the principal amount, and shall bear interest and mature, as provided in the Senior Indenture. The Subordinate Bonds shall initially be issued in one or more series in the principal amount, and shall bear interest and mature, as provided in the Subordinate Indenture. The Senior Bonds shall be in substantially the form set forth in the Senior Indenture, with such appropriate variations, omissions, insertions, and provisions as are required or permitted by the Senior Indenture. The Senior Bonds shall be special, limited obligations of the Authority and shall be payable as to principal and interest, and the obligations of the Authority

under the Senior Indenture shall be paid and satisfied, solely from the revenues, receipts, and other moneys and assets pledged therefor under the Senior Indenture. The Subordinate Bonds shall be in substantially the form set forth in the Subordinate Indenture, with such appropriate variations, omissions, insertions, and provisions as are required or permitted by the Subordinate Indenture. The Subordinate Bonds shall be special, limited obligations of the Authority and shall be payable as to principal and interest, and the obligations of the Authority under the Subordinate Indenture shall be paid and satisfied, solely from the revenues, receipts, and other moneys and assets pledged therefor under the Subordinate Indenture.

Section 3. Execution and Delivery of the Bonds. The Bonds shall be executed and delivered on behalf of the Authority by the manual or facsimile signature of the Chairman of the Authority (Chairman), the Vice Chairman of the Authority (Vice Chairman), the Executive Director of the Authority (Executive Director), the Senior Vice President of Real Estate (Senior Vice President) of the San Diego Housing Commission (Housing Commission), the Vice President of Real Estate Finance and Program Development of the Housing Commission (Senior Director), or the Chief Operating Officer of the Housing Commission (COO), and the official seal of the Authority, or a facsimile thereof, shall be impressed or imprinted on the Bonds and attested with the manual or facsimile signature of the Secretary or a Deputy Secretary of the Authority.

Section 4. Approval of the Senior Indenture. The Senior Indenture, in the form on file in the Housing Commission offices, is approved. The Chairman, the Vice Chairman, the Executive Director, the Senior Vice President, the Director, the Chief Operating Officer and the Secretary or a Deputy Secretary of the Authority, or the designee of any such officer (collectively, the Designated Officers), are each authorized to execute and deliver the Senior Indenture in such

form, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval of all changes from the form of the Senior Indenture approved in this Resolution. Additionally, in the event that a series of Senior Bonds is issued subsequent to the initial issuance of Senior Bonds, the Senior Indenture may be amended or supplemented to accommodate the issuance of such series of Senior Bonds in accordance with the Senior Indenture and this Resolution, together with such changes as may be approved by the Designated Officer executing the same, in consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval of all changes from the form of the Senior Indenture approved in this Resolution.

Section 5. Approval of the Subordinate Indenture. The Subordinate Indenture, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Subordinate Indenture in such form, together with such changes as may be approved by the Designated Officer executing the same, in consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval of all changes from the form of the Subordinate Indenture approved in this Resolution. Additionally, in the event that a series of Subordinate Bonds is issued subsequent to the initial issuance of Subordinate Bonds, the Subordinate Indenture may be amended or supplemented to accommodate the issuance of such series of Subordinate Bonds in accordance with the Subordinate Indenture and this Resolution, together with such changes as may be approved by the Designated Officer executing the same, in consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval of all changes from the form of the Subordinate Indenture approved in this Resolution.

Section 6. Approval of Senior Loan Agreement. The Senior Loan Agreement, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Senior Loan Agreement in such form, together with such changes as may be approved by the Designated Officer executing the same, in consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval of all changes from the form of the Senior Loan Agreement approved in this Resolution.

Section 7. Approval of Subordinate Loan Agreement. The Subordinate Loan Agreement, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Subordinate Loan Agreement in such form, together with such changes as may be approved by the Designated Officer executing the same, in consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval of all changes from the form of the Subordinate Loan Agreement approved in this Resolution.

Section 8. Approval of Regulatory Agreement. The Regulatory Agreement, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Regulatory Agreement in such form, together with such changes as may be approved by the Designated Officer executing the same, in consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval of all changes from the form of the Regulatory Agreement approved in this Resolution.

Section 9. Approval of Senior Assignment. The Senior Assignment, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Senior Assignment in such form, together with such changes as may be

approved by the Designated Officer executing the same, in consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval of all changes from the form of the Senior Assignment approved in this Resolution.

Section 10. Approval of Subordinate Assignment. The Subordinate Assignment, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Subordinate Assignment in such form, together with such changes as may be approved by the Designated Officer executing the same, in consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval of all changes from the form of the Subordinate Assignment approved in this Resolution.

Section 11. Approval of the Subordinate Bond Purchase Agreement. The Subordinate Bond Purchase Agreement, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Subordinate Bond Purchase Agreement in such form, together with such changes as may be approved by the Designated Officer executing the same, in consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval of all changes from the form of the Subordinate Bond Purchase Agreement approved in this Resolution.

Section 12. Actions Ratified and Authorized. All prior actions taken by the officers, employees, and agents of the Authority with respect to the issuance of the Bonds are approved, confirmed, and ratified, and the Designated Officers are each authorized, for and in the name and on behalf of the Authority, to take any and all actions and execute and deliver any and all certificates, agreements (including a tax agreement or no arbitrage certificate), and other documents, including but not limited to those described in any of the documents approved by this

Resolution and endorsements of the Borrower's promissory notes, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance of the Bonds and the making of the Borrower loans described in the Senior Loan Agreement and the Subordinate Loan Agreement in accordance with the Act and this Resolution.

Section 13. Further Consents, Approvals and Other Actions. All consents, approvals, notices, orders, requests, and other actions permitted or required by any of the documents authorized by this Resolution or otherwise appropriate in the administration of Bonds and the lending program financed by the Bonds, including without limitation any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, including, without limitation, any transfer of the Project, any substitution of security for the Bonds, or any prepayment of the Bonds may be taken or given by any of the Designated Officers, in consultation with the Authority's General Counsel, without further authorization by the Board, and the Designated Officers are authorized and directed to give any such consent, approval, notice, order, or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this Resolution.

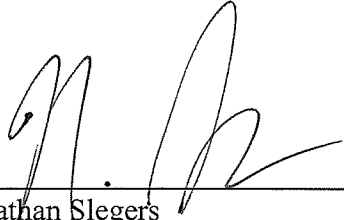
Section 14. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any remaining provisions of this Resolution.

Section 15. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED: MARA W. ELLIOTT, General Counsel

(HA-2018-6)

By



Nathan Slegers
Deputy General Counsel

NLJS:dkr
July 17, 2017
Or.Dept: Housing Authority
Doc. No. 1541965

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. **1748** 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