

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1740

DATE OF FINAL PASSAGE JUN 27 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 LUTHER TOWER 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, 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, C&C Development Group LLC and DAL Development, LLC 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 Tower Housing Partners, L.P, or an affiliate (Borrower), to be used by the Borrower to finance the acquisition, rehabilitation, and equipping of "Luther Tower", a senior multifamily rental housing development to be located at 1455 2nd Avenue, in San Diego, California, as more fully identified in Exhibit A to this Resolution (Project); and

WHEREAS, as a part of financing the Project, the Authority desires to reimburse the Borrower, but only from Bond proceeds, 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 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 intends to authorize the issuance of the Bonds for the purpose of financing the costs of the Project (including Reimbursable 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 an aggregate principal amount not to exceed \$21,500,000, as set forth in Exhibit A; and

WHEREAS, section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage 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 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 Reimbursable of the Reimbursable Expenditures) by the issuance and sale of Bonds pursuant to the Act in an aggregate principal amount not to exceed \$21,500,000, as set forth in Exhibit A, subject to authorization of the issuance of the Bonds by resolution of the Authority at a meeting to be held for such purpose. The expected date of issue of the Bonds is within eighteen (18) months of the later of the date the first Reimbursable Expenditure was made and the first date the Project is placed in service and, in no event, later than three (3) years after the date of the first Reimbursable 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 or to 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, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to 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, as of the date of this Resolution. 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 in part for 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, 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.

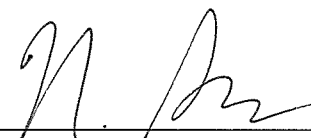
Section 3. Applications to CDLAC. The officers and/or the program managers of the Authority are authorized and directed to apply to CDLAC for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed \$21,500,000 and to take 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. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 5. Approval of Bond Counsel and Financial Advisor. The financing team of Orrick, Herrington & Sutcliffe LLP, as bond counsel, and Public Finance Management, as financial advisor, is approved for the Project.

Section 6. 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.

APPROVED: MARA W. ELLIOTT, General Counsel

By   
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Nathan Slegers  
Deputy General Counsel

NLJS:dkr  
June 8, 2017  
Or.Dept: Housing Authority  
Doc. No. 1519745

**EXHIBIT A**

**DESCRIPTION OF PROJECT**

Name: Luther Tower

Location: 1455 2nd Avenue, San Diego, California

Number of Units: 200

Maximum Bond Amount: \$21,500,000

Passed and adopted by the Housing Authority of the City of San Diego on June 27, 2017, by the following vote:

	<b>Yeas</b>	<b>Nays</b>	<b>Excused</b>	<b>Not Present</b>
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. **1740** passed and adopted by the Housing Authority of the City of San Diego, California on June 27, 2017.

By:



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