

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1741

DATE OF FINAL PASSAGE JUN 27 2017

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$23,300,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION, AND EQUIPPING OF THE BELLA VISTA 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 or notes 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, Bella Vista Affordable Communities, L.P., a California limited partnership (Borrower), has requested that the Authority issue tax-exempt multifamily housing revenue notes to finance the acquisition, rehabilitation, and equipping by the Borrower of a multifamily residential rental housing facility known as "Bella Vista Apartments," which consists of 170 apartment units, including 168 income and rent restricted units to be occupied by low and very low income persons at affordable rents, located at 4742 Solola Avenue in the City of San Diego (Project); 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 in order to accomplish such purpose, desires to provide for the issuance of a tax-exempt multifamily housing revenue note and financing of the Project; and

WHEREAS, the Authority intends to enter into a Funding Loan Agreement, by and among the Authority, Wilmington Trust, National Association, as fiscal agent (Fiscal Agent), and Citibank, N.A., as initial Funding Lender (Funding Lender), dated as of July 1, 2017 (Funding Loan Agreement), whereby the Funding Lender will loan the Authority up to \$23,300,000 (Funding Loan) to loan to the Borrower pursuant to that certain Borrower Loan Agreement, to be entered into by and among the Authority, the Fiscal Agent, and the Borrower, dated as of July 1, 2017 (Borrower Loan Agreement) to provide the Borrower with up to \$23,300,000 (Borrower Loan) to provide financing to acquire, rehabilitate, and equip the Project; and

WHEREAS, pursuant to the Funding Loan Agreement, the Authority intends to execute and deliver to the Funding Lender its tax-exempt multifamily housing revenue notes (Governmental Lender Notes) evidencing its obligation to make the payments due to the Funding Lender under the Funding Loan as provided in this Funding Loan Agreement; and

WHEREAS, the Authority's obligation to repay the Governmental Lender Notes shall be limited solely to the multifamily notes executed and delivered by the Borrower to the Authority (Borrower Notes) and other moneys and security pledged under the Funding Loan Agreement and the Borrower Loan Agreement; and

WHEREAS, the Authority will loan the proceeds of the Governmental Lender Notes to the Borrower, and the Borrower will use the proceeds of the Governmental Lender Notes

exclusively to finance the costs of acquisition, rehabilitation, and equipping the Project and the costs of issuing the Governmental Lender Notes; and

WHEREAS, the City Council of the City of San Diego approved the issuance by the Authority of tax-exempt obligations, after publication of a “TEFRA” notice and the holding on June 27, 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 authority from CDLAC to issue a tax-exempt multifamily housing revenue note; and

WHEREAS, CDLAC has allocated to the Project \$23,300,000 of the State of California 2015 State Ceiling on Qualified 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 Funding Loan Agreement, including the related form of the Governmental Lender Notes;
- (2) the form of Borrower Loan Agreement;
- (3) the form of Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), by and among the Authority, the Fiscal Agent, and the Borrower; and
- (4) the form of Assignment of Deed of Trust and Related Documents (Assignment) by the Authority in favor of Fiscal Agent; and

WHEREAS, it appears that 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 acquisition, rehabilitation, and equipping of the Project through the issuance of the Governmental Lender Notes 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 Governmental Lender Notes. For the purpose of financing the acquisition, rehabilitation, and equipping of the Project, the Authority approves the issuance of the Governmental Lender Notes in one or more series in an aggregate principal amount not to exceed \$23,300,000. Each series of the Governmental Lender Notes shall be issued in the principal amount, and shall bear interest and mature, as provided in the Funding Loan Agreement. The Governmental Lender Notes shall be in substantially the form set forth in the Funding Loan Agreement, with such appropriate variations, omissions, insertions, and provisions as are required or permitted by the Funding Loan Agreement. Each series of the Governmental Lender Notes shall be a special, limited obligation of the Authority and shall be payable as to principal and interest, and the obligations of the Authority under the Funding Loan Agreement shall be paid and satisfied, solely from the revenues, receipts, and other moneys and assets pledged therefor under the Funding Loan Agreement.

Section 3. Execution and Delivery of the Governmental Lender Notes. The Governmental Lender Notes shall be executed 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 thereon and attested with the manual or facsimile signature of the Secretary or a Deputy Secretary of the Authority.

Section 4. Approval of the Funding Loan Agreement. The Funding Loan Agreement, 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 Senior Director, the COO, and the Secretary or a Deputy Secretary of the Authority, or the designee of any such officer (such officers and any of his or her respective designees are hereinafter referred to as the Designated Officers) are each authorized to execute and deliver the Funding Loan Agreement 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 thereof to constitute conclusive evidence of the approval of all changes from the form of the Funding Loan Agreement approved at the Authority meeting held to consider adoption of this Resolution (Meeting).

Section 5. Approval of Borrower Loan Agreement. The Borrower 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 Borrower Loan Agreement 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 thereof to constitute conclusive evidence of the approval of all changes from the form of the Borrower Loan Agreement approved at the Meeting.

Section 6. 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, 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 Regulatory Agreement approved at the Meeting.

Section 7. Approval of Assignment. The Assignment, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Assignment 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 thereof to constitute conclusive evidence of the approval of all changes from the form of the Assignment approved at the Meeting.

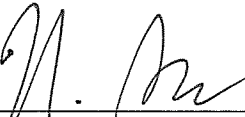
Section 8. Actions Ratified and Authorized. All prior actions taken by the officers, employees, and agents of the Authority with respect to the issuance of the Governmental Lender Notes are approved, confirmed, and ratified, and the Designated Officers are each authorized on behalf of the Authority to 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 an endorsement of the Borrower's promissory note, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Governmental Lender Notes and the making of the Borrower Loan (as defined in the Borrower Loan Agreement) in accordance with the Act and this Resolution.

Section 9. 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 the Governmental Lender Notes and the lending program financed thereby, 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 Governmental Lender Notes, or any prepayment of the Borrower Loan or the Governmental Lender Notes, 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 10. 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 11. 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
June 8, 2017
Or.Dept: Housing Authority
Doc. No. 1519787

Passed and adopted by the Housing Authority of the City of San Diego on June 27, 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. **1741** 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