

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1851

DATE OF FINAL PASSAGE January 28, 2020

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF A MULTIFAMILY HOUSING REVENUE BOND IN A PRINCIPAL AMOUNT NOT TO EXCEED \$22,000,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION AND CONSTRUCTION OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS EAST BLOCK SENIOR APARTMENTS, AND APPROVING OTHER 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 incur indebtedness for the purpose of financing the acquisition, construction, construction and equipping of multifamily rental housing; and

WHEREAS, Fairmount Senior Housing CIC, LP, a California limited partnership (Borrower), has requested that the Authority issue and sell bonds for the purpose of making loans to the Borrower to finance the acquisition and construction by the Borrower of a 117 unit multifamily residential rental housing facility (Project) known as East Block Senior Apartments, located at 4320 44th Street in the City of San Diego (City); and

WHEREAS, the Board of Commissioners of the Authority (Board) desires that a portion of the units in the Project be available for very low and low income persons or families, and in order to accomplish such purpose it is desirable for the Authority to provide for the issuance of a revenue bond to finance costs of the acquisition and construction of the Project; and

WHEREAS, on December 19, 2017, the City made and issued an environmental determination that the Project is exempt from the California Environmental Quality Act (CEQA)

under CEQA Guidelines section 15305, and there was no appeal of the environmental determination filed within the time period provided by San Diego Municipal Code (SDMC) section 112.0520; and

WHEREAS, the Authority intends to issue its Housing Authority of the City of San Diego Multifamily Housing Revenue Bond (East Block Senior Apartments), Series 2020C (Bond), which Bond is expected to be sold to Zions Bancorporation, N.A., dba California Bank & Trust (CB&T) in a private placement; and

WHEREAS, the Authority will loan the proceeds of the Bond to the Borrower and the Borrower will use the proceeds of the Bond to finance costs and to repay a loan incurred to finance costs of the construction of the Project; and

WHEREAS, the City Council of the City, by Resolution No. R-312598, with a date of final passage of August 5, 2019, approved the issuance by the Authority of the Bond in a principal amount of up to \$22,000,000, after publication of a “TEFRA” notice and the holding on July 30, 2019 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 tax-exempt multifamily housing revenue bonds; and

WHEREAS, on October 16, 2019, CDLAC allocated to the Project \$22,000,000 of the State of California 2019 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 proposed form of the Indenture of Trust (Indenture), by and among the Authority, Zions Bancorporation, N.A. dba California Bank & Trust, as Bondowner Representative (Bondowner Representative), and The Bank of New York Mellon Trust Company, N.A. (Trustee), as trustee, including the related form of the Bond; and

(2) the proposed form of Loan Agreement (Loan Agreement), by and among the Authority, the Bondowner Representative and the Borrower; and

(3) the proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), by and between the Authority and the Borrower; and

(4) the proposed form of the Assignment of Deed of Trust and Related Documents (Assignment), between the Authority and the Trustee; and

WHEREAS, it appears that each of the above-referenced documents is in appropriate form and is an appropriate instrument 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 hereby found and determined that it is necessary and desirable for the Authority to provide for the financing of the acquisition and construction of the Project through the issuance and sale of the Bond in order to assist persons of very low income and low income within the City in obtaining decent, safe and sanitary housing and to achieve certain other public purposes.

Section 2. Authorization of the Bond. For the purpose of financing the acquisition and construction of the Project, the Authority hereby authorizes the issuance of the Bond in a principal amount not to exceed \$22,000,000.

The Bond shall be issued in the principal amount, and shall bear interest and mature as provided in the Indenture. The Bond shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are required or permitted by the Indenture. The Bond 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 Indenture shall be paid and satisfied, solely from the revenues, receipts and other moneys and assets pledged therefor under the Indenture.

Section 3. Execution and Delivery of the Bond. The Bond 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 Finance and Portfolio Management (Senior Vice President) of the San Diego Housing Commission (Housing Commission), the Vice President of Multifamily Housing Finance of the Housing Commission (Senior Director), or the Executive Vice President and Chief Operating Officer of the Housing Commission (VPCOO).

Section 4. Approval of the Indenture. The Indenture, in the form on file in the Housing Commission offices, is hereby approved. The Chairman, the Vice Chairman, the Executive Director, the Senior Vice President, the Senior Director, the VPCOO and the 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 hereby authorized to execute and deliver the 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 thereof to constitute conclusive evidence of the approval of all changes from the form of the Indenture approved at this meeting.

Section 5. Approval of Loan Agreement. The Loan Agreement, in the form on file in the Housing Commission offices, is hereby approved. The Designated Officers are each hereby authorized to execute and deliver the 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 Loan Agreement approved at this meeting.

Section 6. Approval of Regulatory Agreement. The Regulatory Agreement, in the form on file in the Housing Commission offices, is hereby approved. The Designated Officers are each hereby 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 thereof to constitute conclusive evidence of the approval of all changes from the form of the Regulatory Agreement approved at this meeting.

Section 7. Approval of Assignment. The Assignment, in the form on file in the Housing Commission offices, is hereby approved. The Designated Officers are each hereby 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 this meeting.

Section 8. Actions Ratified and Authorized. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the issuance and sale of the Bond are

hereby approved, confirmed and ratified, and the Designated Officers are each hereby authorized, for and in the name and on behalf of the Authority, to do any and all things and 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, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bond and the making of the loan pursuant to the Loan Agreement in accordance with the Act and this Resolution.

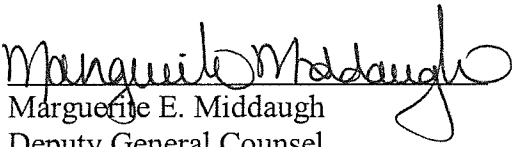
Section 9. Further Consents, Approvals and Other Actions. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution or otherwise appropriate in the administration of the Bond and the lending program financed thereby, including without limitation any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, any transfer of the Project, any substitution of security for the Bond, or any redemption of all or a portion of the outstanding principal of the Bond may be taken or given by any of the Designated Officers, without further authorization by the Board, and the Designated Officers are hereby 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. Conflicting Resolutions Repealed. All resolutions or parts thereto in conflict with this Resolution are, to the extent of such conflict, hereby repealed.

Section 11. 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 12. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED: MARA W. ELLIOT, General Counsel

By 
Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
01/13/2020
Or.Dept: Housing Authority
Doc. No.: 2289750

Passed and adopted by the Housing Authority of the City of San Diego on January 28, 2020, by the following vote:

	Yeas	Nays	Excused	Not Present
Barbara Bry	☒	☐	☐	☐
Jennifer Campbell	☒	☐	☐	☐
Chris Ward	☒	☐	☐	☐
Monica Montgomery	☒	☐	☐	☐
Mark Kersey	☒	☐	☐	☐
Chris Cate	☒	☐	☐	☐
Scott Sherman	☒	☐	☐	☐
Vivian Moreno	☒	☐	☐	☐
Georgette Gómez	☒	☐	☐	☐

AUTHENTICATED BY:

Georgette Gómez

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. **1851** passed and adopted by the Housing Authority of the City of San
Diego, California on January 28, 2020.

By:



Scott Marshall

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