

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1856

DATE OF FINAL PASSAGE April 7, 2020

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF ONE OR MORE MULTIFAMILY NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,500,000 TO FINANCE THE ACQUISITION AND CONSTRUCTION OF A MULTIFAMILY RENTAL HOUSING FACILITY TO BE KNOWN AS EAST BLOCK SENIOR APARTMENTS, 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 incur indebtedness to finance the acquisition, construction and equipping of multifamily rental housing; and

WHEREAS, Fairmount Senior Housing CIC, LP, a California limited partnership (Borrower), has requested that the Authority borrow funds and loan the funds to the Borrower to finance costs, and to reimburse advances made by U.S. Bank National Association from proceeds of a loan to the Borrower (U.S. Bank Loan) to finance costs, in each case of the Borrower's acquisition and construction of a multifamily residential rental housing facility to be known as "East Block Senior Apartments" (Project), consisting of 117 apartment units to be located at 4320 44th Street, San Diego, California; 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 or families, and to

accomplish such purpose it is desirable for the Authority to issue one or more revenue notes to finance costs of the acquisition and construction of the Project; and

WHEREAS, the Authority intends to issue its Housing Authority of the City of San Diego Multifamily Housing Revenue Note (East Block Senior Apartments) Series 2020C-1 (Note C-1) in a principal amount not to exceed \$22,000,000, and its Housing Authority of the City of San Diego Multifamily Housing Revenue Note (East Block Senior Apartments) Series 2020C-2 (Note C-2 and, together with Note C-1, Notes) in a principal amount not to exceed \$2,500,000, evidencing a loan by Citibank, N.A. (Funding Lender) to the Authority to fund a loan to the Borrower; and

WHEREAS, the Authority will loan the proceeds of the Notes to the Borrower (Mortgage Loan) and the Borrower will use the proceeds of the Notes to finance costs, and to reimburse advances of the U.S. Bank Loan used to finance costs, of the acquisition and construction of the Project; and

WHEREAS, the City Council of the City of San Diego, by its Resolution R-312598, effective August 5, 2019, approved the Authority's issuance of the Note C-1 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 (Code), 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 CDLAC's authorization to issue tax-exempt multifamily housing revenue obligations; and

WHEREAS, on October 16, 2019, CDLAC allocated to the Project \$22,000,000 of available State of California ceiling for private activity bonds under section 146 of the Code to be used in connection with the issuance of the Note C-1; and

WHEREAS, the following documents are presented for consideration:

(1) The form of Funding Loan Agreement (Funding Loan Agreement), by and among the Authority, The Bank of New York Mellon Trust Company, N.A., as fiscal agent (Fiscal Agent), and the Funding Lender, including the form of the Notes attached to the Funding Loan Agreement as Exhibit A; and

(2) The form of Borrower Loan Agreement (Borrower Loan Agreement), by and between the Authority and the Borrower; and

(3) The form of Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), by and between the Authority and the Borrower; 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 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 and construction of the Project through the execution and delivery of the Notes 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 Notes. For the purpose of financing costs of the acquisition and construction of the Project, the Authority approves the issuance of the Note C-1 in a principal amount not to exceed \$22,000,000, and the issuance of the Note C-2 in a principal amount not to exceed \$2,500,000. The Notes shall be issued in the principal amounts, and shall bear interest (which shall not exceed 12% per annum) and mature (not later than 45 years from the date of execution and delivery thereof) as provided in the Funding Loan Agreement. The Notes shall be in substantially the form attached as Exhibit A to the Funding Loan Agreement, with such appropriate variations, omissions, insertions, and provisions as are required or permitted by the Funding Loan Agreement. The Notes 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 Funding Loan Agreement shall be paid and satisfied, solely from the revenues, receipts and other moneys and assets pledged under the Funding Loan Agreement.

Section 3. Execution and Delivery of the Notes. The 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 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 of Staff of the Housing Commission (VPCOS).

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 VPCOS 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 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 to constitute conclusive evidence of the approval of all changes from the form of the Funding Loan Agreement approved at this 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 hereby 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, 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 Borrower 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 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 at this meeting.

Section 7. Environmental. 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.

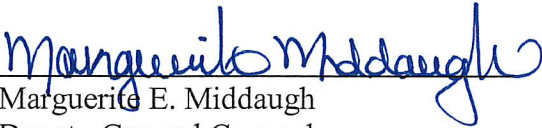
Section 8. Actions Ratified and Authorized. All prior actions taken by the officers, employees, and agents of the Authority with respect to the issuance and sale of the Notes are approved, confirmed, and ratified, and the Designated Officers are each authorized, for and in the name and on behalf of the Authority, to take any and all actions and execute and deliver any and all certificates, agreements (including a tax agreement or no arbitrage certificate), any assignments of security documents or deed of trust, 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 Notes and the making of the loan pursuant to the Funding 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 Notes and the lending program financed by the Notes, 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 appointment or substitution of fiscal agent or lender, any substitution of security for the Notes, or any prepayment in full or in part of the 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:   
Marguerite E. Middaugh  
Deputy General Counsel

MEM:jdf  
03/17/2020  
Or. Dept: Housing Authority  
Doc. No.: 2355982

Passed and adopted by the Housing Authority of the City of San Diego on April 7, 2020, by the following vote:

	Yeas	Nays	Excused	Not Present
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<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"/>
Monica Montgomery	<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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Scott Sherman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**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. **1856** passed and adopted by the Housing Authority of the City of San Diego, California on April 7, 2020.

By:



**Scott Marshall**

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