

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1877

DATE OF FINAL PASSAGE September 29, 2020

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF THREE SERIES OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$34,930,321 FOR THE PURPOSE OF FINANCING THE ACQUISITION AND CONSTRUCTION OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS ULRIC STREET 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, rehabilitation and equipping of multifamily rental housing; and

WHEREAS, Ulric Street Housing Associates, L.P., 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 96 unit multifamily residential rental housing facility (Project) known as ULRIC Street Apartments, located at 2645-2685 Ulric 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 revenue bonds 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 Bonds (ULRIC Street Apartments), Series 2020G-1 (Construction/Permanent) (G-1 Bonds), its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (ULRIC Street Apartments), Series 2020G-2 (Construction) (G-2 Bonds), and its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (ULRIC Street Apartments), Series 2020G-3 (Taxable) (G-3 Bonds), which G-1 Bonds and G-2 Bonds in an aggregate amount not to exceed \$28,930,321 and which G-3 Bonds in an amount not to exceed \$6,000,000 are expected to be sold to U.S. Bank National Association in a private placement; and

WHEREAS, the Authority will loan the proceeds of the G-1 Bonds, the G-2 Bonds and the G-3 Bonds (Bonds) to the Borrower and the Borrower will use the proceeds of the Bonds to finance costs of the acquisition and construction of the Project and the costs of issuing the Bonds; and

WHEREAS, the City Council of the City, by Resolution No. R-312546, with a date of final passage of July 8, 2019, approved the issuance by the Authority of the G-1 Bonds and the G-2 Bonds in an aggregate principal amount of up to \$32,750,000, after publication of a "TEFRA" notice and the holding on June 25, 2019 of a "TEFRA" hearing, as required by the Internal Revenue Code of 1986, as amended and applicable United States Treasury Regulations (Regulations); and

WHEREAS, the Regulations require that the City Council's approval of the G-1 Bonds and the G-2 Bonds occur within one year of their issuance, and because the G-1 Bonds and the G-2 Bonds will be issued more than one year after the City Council's approval of their issuance, the issuance by the Authority of the G-1 Bonds and the G-2 Bonds will be contingent upon the City Council holding a new public hearing regarding the financing of the Project and the issuance

of the G-1 Bonds and the G-2 Bonds and approving their issuance following such public hearing (the New TEFRA Proceedings); 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 April 14, 2020, CDLAC adopted Resolution No. 20-069 allocating to the Project \$28,930,321 of the State of California 2020 State ceiling for private activity bonds under section 146 of the Internal Revenue Code of 1986 for the G-1 Bonds and the G-2 Bonds; and

WHEREAS, the following documents are presented for consideration;

(1) the proposed form of the Trust Indenture (Indenture), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (Trustee), as trustee, including the related forms of the Bonds; and

(2) the proposed form of Loan Agreement (Loan Agreement), by and between the Authority 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 Bonds 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 Bonds. For the purpose of financing the acquisition and construction of the Project, subject to the completion by the City Council of the New TEFRA Proceedings, the Authority hereby approves the issuance of the Bonds in an aggregate principal amount not to exceed \$34,930,321.

The Bonds shall be issued in the respective principal amounts, and shall bear interest and mature as provided in the Indenture; provided that the aggregate principal amount of the G-1 Bonds and the G-2 Bonds shall not exceed \$28,930,321, and the principal amount of the G-3 Bonds shall not exceed \$6,000,000. The Bonds 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 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 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 Bonds. Each series of the Bonds 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), and attested with the manual or facsimile signature of the Secretary or a Deputy Secretary of the Authority.

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 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 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. Environmental Determination. On August 8, 2019 the City conducted a review of the Project and determined that the Project can be submitted ministerially and does not require a California Environmental Quality Act (CEQA) review because it is not a project per CEQA. Federal funds constitute a portion of the funding for the Project. A final reservation of HOME funds occurred upon satisfactory completion of the environmental review and receipt by the City of an Authorization to Release Grant Funds from the U.S. Department of Housing and Urban Development on January 26, 2019, under 24 CFR Part 58 of the National Environmental Policy Act (NEPA).

Section 9. 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 Bonds 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 Bonds and the making of the loans pursuant to the Loan Agreement in accordance with the Act and this Resolution.

Section 10. 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 Bonds 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 any series of the Bonds, or any redemption of the Bonds 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 11. Conflicting Resolutions Repealed. All resolutions or parts thereto in conflict with this Resolution are, to the extent of such conflict, hereby repealed.

Section 12. 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 13. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED: MARA W. ELLIOT, General Counsel

By /s/ Marguerite E. Middaugh
Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
09/08/2020
Or.Dept: Housing Authority
Doc. No.: 2471369
Companion to R-2021-105

Passed and adopted by the Housing Authority of the City of San Diego on September 29, 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Scott Sherman | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Vivian Moreno | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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. **1877** passed and adopted by the Housing Authority of the City of San
Diego, California on September 29, 2020.

By:



Scott Marshall

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