

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1878

DATE OF FINAL PASSAGE September 29, 2020

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$27,885,943 AND TAXABLE MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,500,000 TO FINANCE THE ACQUISITION, CONSTRUCTION AND DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS THE ORCHARD AT HILLTOP, 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, rehabilitation, construction and development of multifamily rental housing; and

WHEREAS, Hilltop Family Housing, L.P., a California limited partnership (Borrower), has requested that the Authority borrow funds and loan the funds to the Borrower to finance Borrower's acquisition, construction and development of a multifamily residential rental housing facility known as "The Orchard at Hilltop" (Project), consisting of 113 apartment units (including two unrestricted manager's units) located at 922-944 Euclid Avenue in the City of San Diego; 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 revenue bonds to finance costs of the acquisition, construction and development of the Project; and

WHEREAS, the Authority intends to issue and sell its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (The Orchard at Hilltop) Series 2020H-1 (Tax-Exempt Bonds), in an aggregate principal amount not to exceed \$27,885,943, and its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (The Orchard at Hilltop) Taxable Series 2020H-2 (collectively with the Tax-Exempt Bonds, Bonds), in an aggregate principal amount not to exceed \$3,500,000, to Western Alliance Business Trust, and apply the sale proceeds of the Bonds to fund a loan to the Borrower (Loan); and

WHEREAS, the Authority will fund the Loan, and the Borrower will use the proceeds of the Bonds to finance costs of the acquisition, construction and development of the Project; and

WHEREAS, the City Council of the City of San Diego (Council), by its Resolution No. 312820, effective January 15, 2020, approved the Authority's issuance of the Bonds after publication of a "TEFRA" notice and the holding on January 14, 2020, 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, CDLAC has allocated to the Project \$27,885,943 of volume cap for private activity bonds under section 146 of the Code; and

WHEREAS, the following documents are presented for consideration:

- (1) the form of Indenture of Trust (Indenture), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, including the form of the Bonds attached to the Indenture as Exhibit A,
- (2) the form of Loan Agreement (Loan Agreement), by and between the Authority and the Borrower,
- (3) the form of Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), by and between the Authority and Borrower,
- (4) the form of Assignment of Deed of Trust Documents (Assignment), by the Authority in favor of Trustee, and
- (5) the form of Bond Purchase Agreement (Bond Purchase Agreement), by and among the Authority, the Purchaser and Authority; 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; and

WHEREAS, on December 3, 2018, the Council adopted Resolution No. R-312078, finding that there were no substantial changes proposed to the Project and no substantial changes with respect to the circumstances under which the Project is to be undertaken that would require major revisions in the Program Environmental Impact Report No. 386029/SCH No. 2014051075 (Report) for the Project, and adopting the Addendum to the Report with respect to the Project; the HOME Investment Partnerships Program (HOME) funds will provide a part of the funding for the Project making the project subject to U.S. Department of Housing and Urban Development under 24 CFR Part 58 of the National Environmental Policy Act (NEPA); and the

Housing Commission received final NEPA clearance and authorizations to grant funds on May 2, 2020; 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, construction and development of the Project through the execution and delivery of the Bonds 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 Bonds. For the purpose of financing the acquisition, construction and development of the Project, the Authority approves the issuance of the Tax-Exempt Bonds in any number of subseries in an aggregate principal amount not to exceed \$27,885,943 and the issuance of the Taxable Bonds in any number of subseries in an aggregate principal amount not to exceed \$3,500,000. The Bonds shall be issued in the principal amount 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 Indenture. The Bonds shall be in substantially the respective forms attached as Exhibit A to 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 under the Indenture.

Section 3. Execution and Delivery of the Bonds. 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 Executive Vice President of Real Estate and Chief Strategy Officer (Executive Vice President Real Estate) of the San Diego Housing Commission (Housing Commission), the Vice President of Real Estate Finance of the Housing Commission (Vice President Real Estate Finance), or the Executive Vice President and Chief of Staff of the Housing Commission (Executive Vice President Chief of Staff), and attested with the manual or facsimile signature of the Secretary or a Deputy Secretary of the Authority, and the official seal of the Authority, or a facsimile, shall be impressed or imprinted on the Bonds.

Section 4. Approval of the Indenture. The Indenture, in the form on file in the Housing Commission offices, is approved. The Chairman, the Vice Chairman, the Executive Director, the Executive Vice President Real Estate, the Vice President Real Estate Finance, the Executive Vice President Chief of Staff and the Secretary or a Deputy Secretary of the Authority, or the designee of any such officer (collectively, the Designated Officers) are each 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 to constitute conclusive evidence of the approval of all changes from the form of the Indenture approved in this Resolution.

Section 5. Approval of Loan Agreement. The 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 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 Loan Agreement approved in this Resolution.

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 in this Resolution.

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, 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 Assignment approved in this Resolution.

Section 8. Approval of Bond Purchase Agreement. The Bond Purchase Agreement, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Bond Purchase 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 Bond Purchase Agreement approved in this Resolution.

Section 9. 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 Bonds 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), and other documents, including but not limited to those described in any of the documents approved by this Resolution, that 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 Loan 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 by the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any amendment of such documents, any transfer of the Project, any substitution of security for the Bonds, or any prepayment or redemption of the Bonds, 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 that such officer may deem necessary or desirable to further the purposes of this Resolution.

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. ELLIOTT, General Counsel

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

MEM:jdf
09/11/2020
Or. Dept.: Housing
Doc. No.: 2474673

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. **1878** 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