

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- **1556**

DATE OF FINAL PASSAGE **JUN 12 2012**

A RESOLUTION AUTHORIZING THE HOUSING COMMISSION TO:
(1) MAKE AND FUND A RESIDUAL RECEIPTS LOAN TO PALM COMMUNITIES CORPORATION (PALM COMMUNITIES) IN AN AMOUNT UP TO \$5,000,000; (2) APPROVE ENTRY INTO AN OPTION AGREEMENT; AND (3) AUTHORIZE THE PRESIDENT & CHIEF EXECUTIVE OFFICER (CEO) OF THE SAN DIEGO HOUSING COMMISSION (HOUSING COMMISSION), OR DESIGNEE TO: (A) EXECUTE ALL NECESSARY DOCUMENTS AND INSTRUMENTS TO EFFECTUATE THE TRANSACTION AND IMPLEMENT THESE APPROVALS, IN A FORM APPROVED BY GENERAL COUNSEL; AND (B) TO ADJUST FINANCING TERMS/CONDITIONS AS NECESSARY FOR CONSISTENCY WITH REQUIREMENTS OF OTHER FUNDING SOURCES AND/OR TO ACCOMMODATE MARKET CHANGES, BUT NOT TO EXCEED THE MAXIMUM HOUSING COMMISSION LOAN AMOUNT OF \$5,000,000.

WHEREAS, Palm Communities requested the Housing Commission make a loan for the purpose of financing the acquisition and construction of a 78-unit multifamily rental housing complex known as Mesa Commons; and

WHEREAS, the Housing Commission Board of Commissioners approved and recommended Housing Authority approval to make and fund a residual receipts loan to Palm Communities or a limited partnership or limited liability company formed by it and of which it is a majority partner or member (Borrower) for the financing for the acquisition of land and the construction of 78 units of multifamily rental housing on the property located at 6456 El Cajon Boulevard (the Project) as more particularly described in Housing Authority Report HAR 12-024 (the Housing Authority Report); NOW, THEREFORE,

BE IT RESOLVED, by the Housing Authority of the City of San Diego, that the Housing Commission is hereby authorized to make and fund a loan to Borrower on the terms and conditions outlined in the Housing Authority Report, which consists of a three percent (3%) simple interest residual receipts loan in the amount Not-to-Exceed \$5,000,000 for the acquisition of land and construction of 78 units of multifamily rental housing on the property located at 6456 El Cajon Boulevard on terms as specifically detailed in the Housing Authority Report, contingent upon Palm Communities obtaining all necessary third-party funding commitments, including 9 percent tax credits.

BE IT FURTHER RESOLVED, that the Housing Authority hereby approves an option agreement in favor of the Housing Commission, whereby the Housing Commission will have the option to purchase the Project, including the property and improvements, at the end of the fifteen-year tax credit compliance period, for an amount equal to the greater of fair market value (restricted value of the leasehold) or the sum of exit taxes, forgiveness of all principal and interest on the Housing Commission loan, plus assumption of the first position loan.

BE IT FURTHER RESOLVED, by the Housing Authority that the City of San Diego as lead agency under the California Environmental Quality Act (CEQA) has prepared and completed a Negative Declaration, Project No. 33812, dated November 10, 2004, covering this activity. An addendum, known as Mesa Commons II, was incorporated into the original project and, on June 23, 2011, the City of San Diego's Development Services Department determined the project as a whole was found to be in substantial conformance to the existing entitlements and Negative Declaration. No further processing under CEQA is required.

BE IT FURTHER RESOLVED, that this project will be partially funded with federal HOME funds. A final reservation of HOME funds will occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a release of funds from the U.S.

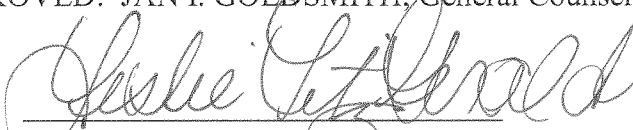
Department of Housing and Urban Development under 24 CFR Part 58 of the National Environmental Protection Act (NEPA). The Housing Authority and the developer agree that the provision of any HOME funds to the project is conditioned on the City of San Diego's determination to proceed with, modify, or cancel the project, based on the results of a subsequent environmental review under NEPA.

BE IT FURTHER RESOLVED, that the President and Chief Executive Officer of the San Diego Housing Commission, or designee, is authorized to execute any and all documents and to take such as actions as may be necessary and appropriate to make and fund the approved loan to Borrower and to implement these approvals, all in a form and format as approved by General Counsel of the San Diego Housing Commission.

BE IT FURTHER RESOLVED, that the President and Chief Executive Officer, or designee, is delegated the authority to adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes, not to exceed the maximum Housing Commission loan amount of \$5,000,000.

APPROVED: JAN I. GOLDSMITH, General Counsel

By



Leslie FitzGerald
Chief Deputy General Counsel

LAF:nja
05/29/12
Or.Dept: SDHC
Doc. No. 374469

Passed and adopted by the Housing Authority of the City of San Diego on June 12, 2012 by the following vote:

	Yeas	Nays	Excused	Not Present
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Carl DeMaio	<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"/>
Marti Emerald	<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"/>

AUTHENTICATED BY:

Anthony Young

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. 1556 passed and adopted by the Housing Authority of the City of San
Diego, California on June 12, 2012.

By:

Pari Ryan

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