

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO
RESOLUTION NUMBER R- **1560**
DATE OF FINAL PASSAGE **JUL 10 2012**

A RESOLUTION SETTING FORTH THE OFFICIAL INTENT
OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO
TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO
FINANCE FAIRBANKS COMMONS AND AUTHORIZING
RELATED ACTIONS.

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended (Act), the Housing Authority of the City of San Diego (Authority) is authorized to issue revenue bonds for the purpose of financing the acquisition, construction and equipping of multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to the multifamily rental housing; and

WHEREAS, Chelsea Investment Corporation, a California corporation (CIC), has requested that the Authority issue and sell multifamily housing revenue bonds (Bonds) pursuant to the Act for the purpose of making a loan to Fairbanks Commons CIC, LP, a California limited partnership (Borrower) to be formed by CIC and Pacific Southwest Community Development Corporation, a California nonprofit public benefit corporation (Pacific), and with respect to which CIC will be the Administrative General Partner and Pacific will be the Managing General Partner, to be used by the Borrower to finance the acquisition, construction and development of a multifamily rental housing development project located at Nighthawk Lane between Zaslavsky Place and Camino San Bernardo in the neighborhood of Black Mountain Ranch, City of San Diego, California APN # 678-230-39, as identified in Exhibit A hereto (Project); and

WHEREAS, as a part of financing the Project, the Authority desires to reimburse the Borrower, but only from Bond proceeds, for expenditures (Reimbursement Expenditures) made in connection with the Project within the period from the date 60 days prior to the adoption of this Resolution to the date of issuance of the Bonds; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed \$46,800,000, as set forth in Exhibit A; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit

Allocation Committee (CDLAC) for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such allocation; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of San Diego, as follows:

Section 1. Findings and Determinations.

(a) The above recitals, and each of them, are true and correct. The Authority hereby determines that it is necessary and desirable to provide financing for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act in aggregate principal amount not to exceed \$46,800,000, as set forth in Exhibit A, subject to authorization of the issuance of the Bonds by resolution of the Authority at a meeting to be held for such purpose. The expected date of issue of the Bonds is within eighteen (18) months of the later of the date the first Reimbursement Expenditure was made and the first date the Project is placed in service and, in no event, later than three years after the date of the first Reimbursement Expenditure.

(b) Proceeds of the Bonds to be used to reimburse for Project costs are not expected to be used directly or indirectly to pay debt service with respect to any obligation or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Authority or any entity related in any manner to the Authority, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

(c) As of the date hereof, the Authority has a reasonable expectation that the Bonds will be issued to reimburse Project costs. This Resolution is consistent with the budgetary and financial circumstances of the Authority, as of the date hereof. The Bonds will be repaid

solely from proceeds of the Bonds and amounts paid by the Borrower. No other moneys are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Authority (or any related party) pursuant to its budget or financial policies to repay the Bonds.

Section 2. Declaration of Official Intent. This resolution is being adopted by the Authority solely for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority, the City or any officer or agent of the City will grant any such approval, consent or permit that may be required in connection with the construction and development of the Project, or that either the Authority or the City will make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

Section 3. Applications to CDLAC. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to CDLAC for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed \$46,800,000, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, additional applications to CDLAC (if necessary), and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

Section 4. Effective Date. This resolution shall take effect immediately upon its adoption.

Section 5. Environmental. Pursuant to provisions of the California Environmental Quality Act (CEQA), on May 19, 2009, the City of San Diego City Council approved an Addendum to the previously certified Environmental Impact Report (EIR 97-7902) for this project and determined the project will not have a significant impact on the environment. Processing under the National Environmental Policy Act is not required as no federal funds are involved.

Section 6. Approval of Bond Counsel and Financial Advisor. The financing team of Orrick Herrington & Sutcliffe LLP as bond counsel and The PFM Group as financial advisor is approved for this Project.

Section 7. Authority of President & Chief Executive Officer of Housing Commission.
Authorize the President & Chief Executive Officer (President & CEO) of the Housing Commission, or designee, to execute all necessary documents, in a form approved by its General Counsel and/or Bond Counsel, and to perform such acts as are necessary to implement these approvals.

APPROVED: JAN I. GOLDSMITH, General Counsel

By 
Bret A. Bartolotta
Deputy General Counsel

BAB:sc
06/15/12
Or.Dept: Housing Authority
Companion to R-2012-706
Doc. No. 3888045

EXHIBIT A

DESCRIPTION OF PROJECT

Name:	Fairbanks Commons
Location:	Nighthawk Lane between Zaslavsky Place and Camino San Bernardo in the neighborhood of Black Mountain Ranch, City of San Diego, California APN # 678-230-39
Number of Units:	165 units
Maximum Bond Amount:	\$46,800,000

Passed and adopted by the Housing Authority of the City of San Diego on July 10, 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. 1560 passed and adopted by the Housing Authority of the City of San
Diego, California on July 10, 2012.

By:

Pari Ryan

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