

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1925

DATE OF FINAL PASSAGE October 5, 2021

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF ONE OR MORE TAX-EXEMPT AND TAXABLE MULTIFAMILY HOUSING REVENUE NOTES AND BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$70,000,000 TO FINANCE THE ACQUISITION AND CONSTRUCTION OF A MULTIFAMILY RENTAL HOUSING FACILITY TO BE KNOWN AS AQUILA APARTMENTS (FORMERLY KNOWN AS 3ROOTS), 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, 3Roots CIC, LP, a California limited partnership (Borrower), has requested that the Authority borrow funds and loan the funds to the Borrower to finance and/or refinance Borrower's acquisition and construction of a multifamily residential rental housing facility to be known as "Aquila Apartments" (formerly referred to as "3Roots") (Project), consisting of 180 apartment units to be located at 9900 Camino Santa Fe, 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 and

subordinate bonds, or a combination thereof, to finance costs of the acquisition, construction and equipping of the Project; and

WHEREAS, the Authority intends to (i) execute and deliver its Housing Authority of the City of San Diego Multifamily Housing Revenue Notes (Aquila Apartments) 2021 Series C (Notes), which Notes may be designated in one or more subseries, which may be taxable or tax-exempt, evidencing a loan by Citibank, N.A. (Funding Lender) to the Authority, and (ii) and to issue and deliver its Housing Authority of the City of San Diego Subordinate Multifamily Housing Revenue Bonds (Aquila Apartments) 2021 Subordinate Series C (Subordinate Bonds), which Subordinate Bonds may be designated in one or more subseries, which may be taxable or tax-exempt, and are expected to be purchased by CIC Opportunities Fund III LLC, a California limited liability company, or an affiliate thereof (Subordinate Bond Purchaser), in each case to fund a loan to the Borrower (collectively, Loans) to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very-low income persons;

WHEREAS, the City Council of the City of San Diego, by its Resolution R-313421, effective February 1, 2021, approved the Authority's issuance of revenue notes or bonds for the Project after publication of a "TEFRA" notice and the holding on January 26, 2021 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 April 28, 2021, CDLAC allocated to the Project \$40,000,000 of available State of California ceiling for private activity bonds under section 146 of the Code (the “Allocation Amount”); and

WHEREAS, the following documents are presented for consideration:

(1) The form of Funding Loan Agreement (Funding Loan Agreement), by and among the Authority, U.S. Bank National Association, as fiscal agent (Fiscal Agent), and the Funding Lender, including the form of 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;

(3) The form of Junior Indenture of Trust (Subordinate Indenture), to be entered into by and between the Authority and U.S. Bank National Association, as trustee (Trustee) for the Subordinate Bonds;

(4) The form of Junior Loan Agreement (Subordinate Loan Agreement), to be entered into by and among the Authority, the Trustee and the Borrower;

(5) The form of Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), by and among the Authority, the Fiscal Agent and the Borrower; and

(6) The form of Junior Bond Purchase Agreement (Junior BPA) by and among the Authority, the Borrower and the Subordinate Bond Purchaser;

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

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 and the issuance and delivery of the Subordinate 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 Notes and Bonds. For the purpose of financing the acquisition and construction of the Project, the Authority approves the execution and delivery of the Notes and the issuance and delivery of the Subordinate Bonds (collectively, Obligations), in one or more series or subseries, in an aggregate principal amount not to exceed \$70,000,000, provided that the total principal amount of any tax-exempt Obligations shall not exceed the Allocation Amount. The Obligations shall be issued, executed and delivered 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 Funding Loan Agreement and the Subordinate Indenture, respectively. The Notes shall be in substantially the form attached as Exhibit A to the Funding Loan Agreement, and the Subordinate Bonds shall be in substantially the form attached as Exhibit A to the Subordinate Indenture, in each case with such appropriate variations, omissions, insertions, and provisions as are required or permitted by the Funding Loan Agreement. The Obligations 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 and the Subordinate Indenture shall be paid and satisfied, solely from the revenues, receipts and other moneys and assets pledged under the Funding Loan Agreement and the Subordinate Indenture.

Section 3. Execution and Delivery of the Obligations. The Obligations shall be executed on behalf of the Authority by the manual or facsimile signature of the Chairperson of the Authority (Chairperson), the Vice Chairperson of the Authority (Vice Chairperson), the Executive Director of the Housing Authority (Executive Director), President & CEO, Deputy CEO, Executive VP Real Estate or Vice President Multifamily Housing Finance, and the official seal of the Authority, or a facsimile, shall be impressed or imprinted on the Obligations and attested with the manual or facsimile signature of the Secretary or a Deputy Secretary of the Authority.

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 Chairperson, the Vice Chairperson, the Executive Director, President & CEO, Deputy CEO, Executive VP Real Estate, Vice President Multifamily Housing Finance, and the Deputy Secretary of the Authority, or the designee of any such officer (such officers and any of his or her respective designees, collectively, Designated Officers) are each 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 in this Resolution.

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 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 in this Resolution.

Section 6. Approval of Subordinate Indenture. The Subordinate Indenture, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Subordinate Indenture 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 Subordinate Indenture approved in this Resolution.

Section 7. Approval of Subordinate Loan Agreement. The Subordinate 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 Subordinate 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 Subordinate Loan Agreement approved in this Resolution.

Section 8. 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 9. Approval of Junior BPA. The Junior BPA, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and



deliver the Junior BPA 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 Junior BPA approved in this Resolution.

Section 10. 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 certificate and agreement), 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 Obligations and the making of the Loans in accordance with the Act and this Resolution.

Section 11. 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 Obligations and the lending program financed by the Obligations, 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 Obligations, or any prepayment or redemption of the Obligations 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 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. ELLIOTT, General Counsel

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

MEM:jdf  
09/13/2021  
Or.Dept: Housing Authority  
Doc. No.: 2758535 \_\_\_\_\_



Passed and adopted by the Housing Authority of the City of San Diego on October 5, 2021, by the following vote:

|                          | <b>Yeas</b>                         | <b>Nays</b>              | <b>Excused</b>           | <b>Not Present</b>       |
|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Joe LaCava               | <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"/> |
| Stephen Whitburn         | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Monica Montgomery Steppe | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Marni von Wilpert        | <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"/> |
| Raul Campillo            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Vivian Moreno            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sean Elo-Rivera          | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**AUTHENTICATED BY:**

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. 1925 passed and adopted by the Housing Authority of the City of San  
Diego, California on October 5, 2021.

By: 

**Scott Marshall**

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