

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1946

DATE OF FINAL PASSAGE May 24, 2022

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$44,877,000 TO FINANCE THE ACQUISITION, CONSTRUCTION AND DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS LEVANT SENIOR COTTAGES, 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 development of multifamily rental housing; and

WHEREAS, Levant Senior Cottages LP, 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 "Levant Senior Cottages" (Project), consisting of 127 apartment units (including an unrestricted manager's unit) located at 6950 Levant Street 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 senior persons, 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 (Levant Senior Cottages) Series 2022D-1 (Tax-Exempt Bonds) in a principal amount not to exceed \$22,877,000, and its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Levant Senior Cottages) Series 2022D-2 (Taxable) (Taxable Bonds, and collectively with the Tax-Exempt Bonds, the Bonds), in a principal amount not to exceed \$22,000,000, to JP Morgan Chase Bank, N.A., 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 issuance of the Tax-Exempt Bonds by the Authority is subject to the approval by the City Council of the City of San Diego (City Council), after publication of a “TEFRA” notice and the holding on the date hereof of a “TEFRA” hearing, as required by the Internal Revenue Code of 1986, as amended (Code), and applicable United States Treasury Regulations; and

WHEREAS, the City Council approved the Authority’s issuance of the Tax-Exempt Bonds after publication of a “TEFRA” notice and the holding on May 24, 2022 of a “TEFRA” hearing; 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 December 8, 2021 CDLAC allocated to the Project \$22,877,000 of available State of California volume cap (Allocation) 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 U.S. Bank Trust Company, National Association, as trustee, including the form of the Tax-Exempt Bonds and Taxable 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, and
- (4) The form of Assignment of Deed of Trust and Related Documents (Assignment), by the Authority in favor of Trustee; 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, the City Council certified Environmental Impact Report No. 96-0114/SCH No. 98031037 prepared for the Project on December 1, 1998 in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code sections 21000-21189.70.10) and the Housing Commission staff determined that under CEQA Guidelines section 15162, no additional environmental review is required for the actions approving the issuance of Bonds for the Project; and

WHEREAS, an Environmental Assessment was prepared for the Project in accordance with the National Environmental Policy Act (NEPA) and approved by City staff with a Finding



of No Significant Impact, the U.S. Department of Housing and Urban Development issued its Form 7015.16 Authority to Use Grant Funds, and all other approvals required under NEPA were secured;

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, construction and development of the Project through the execution and delivery of the Bonds in order to assist senior 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 Bonds, in any number of subseries in an aggregate principal amount not to exceed \$44,877,000; provided that the aggregate principal amount of the Tax-Exempt Bonds shall not exceed the amount of the Allocation. 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 form 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 Chairperson of the Authority (Chairperson), Vice Chairperson of the Authority (Vice Chairperson), Executive Director of the Authority (Executive Director), President & CEO, Deputy CEO, Executive VP Real Estate, or Vice President Multifamily Housing Finance, 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 thereof, shall be impressed or imprinted thereon.

Section 4.     Approval of the Indenture. The Indenture, in the form on file in the Housing Commission offices, is approved. The Chairperson, Vice Chairperson, Executive Director, President & CEO, Deputy CEO, Executive VP Real Estate, or Vice President Multifamily Housing Finance, and Deputy Secretary of the Authority, or the designee of any such officer (such officers and any of his or her respective designees are referred to as 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.     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 9.     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 10. 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 11. 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  
05/04/2022  
Or.Dept: Housing Authority  
Doc. No.: 2971217  
Companion to R-2022-467

Passed and adopted by the Housing Authority of the City of San Diego on May 24, 2022, 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:**

**Jeff Davis**

Interim 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. **1946** passed and adopted by the Housing Authority of the City of San  
Diego, California on May 24, 2022.

By:

  
**Scott Marshall**

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