

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1995

DATE OF FINAL PASSAGE October 10, 2023

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF ONE OR MORE MULTIFAMILY HOUSING REVENUE BONDS OR NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$42,500,000 TO FINANCE THE CONSTRUCTION OF A MULTIFAMILY RENTAL HOUSING FACILITY TO BE KNOWN AS SKYLINE (FORMERLY KNOWN AS RANCHO BERNARDO TRANSIT VILLAGE), 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, Bernardo Family Housing, L.P., a California limited partnership (Borrower), has requested that the Authority issue bonds and loan the proceeds thereof to the Borrower to finance and/or refinance Borrower's construction and development of a multifamily residential rental housing facility to be known as "SkyLINE" (Project), consisting of 100 apartment units (including one manager's unit) to be located at 16785 -16787 West Bernardo Drive, 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 revenue bonds, to finance costs of the acquisition, construction, development and equipping of the Project; and

WHEREAS, the Authority intends to issue, execute and deliver one or more series of bonds or notes initially designated as Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (SkyLINE) 2023 Series B (or such other series designation as shall be set forth in the Indenture and Funding Loan Agreement (each as defined herein) as finally executed) (Bonds), which Bonds may be designated in one or more subseries, which may be taxable or tax-exempt, to fund a loan to the Borrower (Loan) 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; and

WHEREAS, a public hearing having been held on September 15, 2023, following notice thereof, the Council of the City of San Diego (City Council), is expected to consider for approval on the date hereof the issuance of revenue bonds for the Project 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 bonds; and

WHEREAS, on May 10, 2023, CDLAC allocated to the Project \$39,204,504 of available State of California ceiling or carryforward for private activity bonds under section 146 of the Code, and on July 25, 2023, CDLAC awarded the Project a supplemental allocation in the amount of \$3,272,414 (collectively, Allocation Amount); and

WHEREAS, the following documents are presented for consideration:

- (1) The form of Trust Indenture (Indenture), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (Trustee), including the form of Bonds included in the Indenture;
- (2) The form of Loan Agreement (Loan Agreement), by and between the Authority and the Borrower, in respect of the financing for the Project during the construction phase;
- (3) The form of official statement (Official Statement), to be used in connection with the sale and issuance of the Bonds;
- (4) The form of bond purchase agreement (Bond Purchase Agreement), to be entered into among the Borrower, Lument Securities, LLC, or a related entity, as underwriter (Underwriter) and the Authority;
- (5) The form of Collateral Funds Agreement (Collateral Funds Agreement), to be entered into among the Borrower, the Authority, the Trustee and Bank of America, N.A., as construction lender;
- (6) The form of Funding Loan Agreement (Funding Loan Agreement) by and among the Authority, U.S. Bank Trust Company, National Association, as fiscal agent (Fiscal Agent) and Citibank, N.A., as lender (Funding Lender) following the construction phase, including the form of note included in the Funding Loan Agreement;
- (7) The form of Borrower Loan Agreement (Borrower Loan Agreement) by and between the Authority and the Borrower in respect of the financing for the Project during the permanent period following the construction phase; and

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

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 Project is consistent with the Final Negative Declaration (ND) for the Rancho Bernardo Community Plan (Project No. 88-0321), which was adopted by the City Council on December 13, 1988 (Resolution R-272585) in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code sections 21000-21189.70.10). This action to approve the issuance of Bonds for the Project is a subsequent discretionary action within the scope of the development program evaluated in the Final ND and is not considered to be a separate project under CEQA Guidelines sections 15378(c) and 15060(c)(3). Under Public Resources Code section 21166 and CEQA Guidelines section 15162, Housing Commission staff determined that there is no change in circumstance, additional information, or project changes to warrant additional environmental review for this action; and

WHEREAS, the Project received approval of a National Environmental Policy Act Environmental Assessment from the City of San Diego on May 9, 2023 and Authority to Use Grant Funds from the United States Department of Housing and Urban Development on June 20, 2023; and

WHEREAS, the Office of the City Attorney has drafted this Resolution based on the information provided by Housing Commission staff, and verified by the Housing Commission's General Counsel, with the understanding that this information is sufficient to allow for a proper and complete analysis of this matter; 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 issuance 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 purposes of financing the acquisition, construction, development and equipping of the Project, the Authority approves the issuance of the Bonds, in one or more series or subseries, in an aggregate principal amount not to exceed \$42,500,000, provided that the total principal amount of any tax-exempt Bonds shall not exceed the Allocation Amount. The Bonds 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 Indenture and Funding Loan Agreement, respectively. The Bonds shall be in substantially the form provided in the Indenture (during the construction phase) and the Funding Loan Agreement (following the construction phase), respectively, with such appropriate variations, omissions, insertions, and provisions as are required or permitted by the Indenture and Funding Loan Agreement. 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 and Funding Loan Agreement.

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), the Vice Chairperson of the Authority (Vice Chairperson), the Executive Director of the Housing Authority (Executive Director), President & Chief Executive Officer (President & CEO), Executive Vice President Real Estate (EVP Real Estate), Senior Vice President Housing Finance and Property Management (SVP Housing Finance & Property Management) or Vice President Multifamily Housing Finance (VP Multifamily Housing Finance), and the official seal of the Authority, or a facsimile, may be impressed or imprinted on the Bonds and, to the extent required by the Indenture or Funding Loan Agreement, attested with the manual or facsimile signature of the Secretary or a Deputy Secretary of the Authority.

Section 4. Approval of the Indenture. The Indenture, in the form on file in the Housing Commission offices, is approved. The Chairperson, the Vice Chairperson, the Executive Director, President & CEO, EVP Real Estate, SVP Housing Finance & Property Management and VP 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 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 Official Statement. The form, terms and provisions of the Official Statement in the form on file in the Housing Commission offices are hereby approved and the Authority hereby approves the distribution of the Official Statement to prospective purchasers of the Bonds with such changes, deletions and/or insertions therein as may be necessary to carry out the intent of this Resolution and as are acceptable to a Designated Officer, upon consultation with General Counsel to the Authority. Any Designated Officer is authorized to certify on behalf of the Authority that the Official Statement, as to the sections therein describing or otherwise related directly to the Authority, is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

Section 7. 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 8. Approval of Collateral Funds Agreement. The Collateral Funds Agreement, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Collateral Funds 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 Collateral Funds Agreement approved in this Resolution.

Section 9. Approval of Funding Loan Agreement. The Funding 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 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 10. 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 11. 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 12. 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 certificate and agreement), any assignments of security documents or deeds 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 Bonds and the making of the Loan in accordance with the Act and this Resolution.

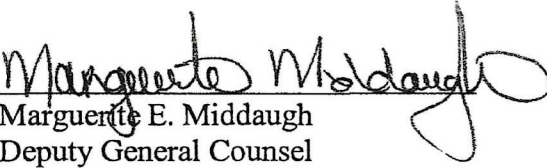
Section 13. Further Consents, Approvals and Other Actions. All consents, approvals, notices, orders, requests, and other actions permitted or required by any of the documents authorized by this Resolution or otherwise appropriate in the administration of the Bonds and the lending program financed by the Bonds, including without limitation any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, any transfer of the Project, any appointment or substitution of trustee, fiscal agent, lender or similar, 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 which such officer may deem necessary or desirable to further the purposes of this Resolution.

Section 14. 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 15. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED: MARA W. ELLIOTT, General Counsel

By


Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
09/25/2023
Or.Dept: Housing Authority
Doc. No. 3425036
Companion to R-2024-108

Passed and adopted by the Housing Authority of the City of San Diego on October 10, 2023, by the following vote:

	Yeas	Nays	Excused	Not Present
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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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. **1995** passed and adopted by the Housing Authority of the City of San Diego,
California on October 10, 2023.

By: 

Scott Marshall

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