

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-2005

DATE OF FINAL PASSAGE February 13, 2024

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT MULTIFAMILY HOUSING REVENUE NOTE AND TAXABLE MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 TO FINANCE THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS CERRO PUEBLO APARTMENTS, 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 or rehabilitation and equipping of multifamily rental housing; and

WHEREAS, Cerro Pueblo Housing Partners, LP, a California limited partnership (Borrower), has requested that the Authority issue notes or bonds and loan the proceeds thereof to the Borrower to finance Borrower's acquisition and rehabilitation of a multifamily residential rental housing facility known as "Cerro Pueblo Apartments" (Project), consisting of 46 apartment units (including one manager's unit) located at 2835 Clairemont 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 notes to finance costs of the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, the Authority intends to execute and deliver its Housing Authority of the City of San Diego Multifamily Housing Revenue Notes (Cerro Pueblo Apartments) 2024 Series D-1 (Tax-Exempt Note) and City of San Diego Multifamily Housing Revenue Notes (Cerro Pueblo Apartments) 2024 Series D-2 (Taxable Note) (provided such series designations may be modified as set forth in the Funding Loan Agreement, as defined herein, as finally executed) (collectively, Governmental Notes) in an aggregate principal amount not to exceed \$15,000,000, which Governmental Notes may be designated in one or more subseries, to be tax-exempt and taxable, respectively, evidencing a loan by Citibank, N.A. (Funding Lender) to the Authority to fund a loan to the Borrower; and

WHEREAS, the Authority will loan the proceeds of the Governmental Notes to the Borrower (Loan) for the purpose of financing costs of the acquisition and rehabilitation of the Project as described herein and the costs of issuance in respect of the Governmental Notes; and

WHEREAS, the issuance of tax-exempt bonds or notes 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 of a “TEFRA” hearing, as required by the Internal Revenue Code of 1986, as amended (Code), and applicable United States Treasury Regulations; and

WHEREAS, on January 19, 2024, the San Diego Housing Commission (Housing Commission) held on behalf of the City, under authority delegated to the Housing Commission by the City, a duly noticed public hearing in accordance with all applicable law and an opportunity was provided at such hearing for interested persons to express their views on the issuance of tax-exempt bonds or notes and the nature and location of the Project; and

WHEREAS, on the date hereof the Council of the City of San Diego (City Council), as the applicable elected representative under section 147(f) of the Code is expected to consider for approval the issuance of revenue bonds for the Project, as required by the 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 December 6, 2023, CDLAC allocated to the Project \$10,000,000 of available State of California ceiling or carryforward for private activity bonds under section 146 of the Code (Allocation Amount); and

WHEREAS, the Project is consistent with the Final Negative Declaration (ND) for the Clairemont Mesa Community Plan Update (EQD No. 87-0224) which was adopted by City Council Resolution R-274464 (Sep. 26, 1989) in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code sections 21000-21189.70.10). This action to approve the issuance of Governmental Notes for the Project is a subsequent discretionary action within the scope of the development program evaluated in the ND and is not 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 processing under the National Environmental Policy Act is not required as no federal funds are involved in this action; and

WHEREAS, the following documents are presented for consideration:

(1) The form of Funding Loan Agreement (Funding Loan Agreement), by and among the Authority, [FISCAL AGENT], as fiscal agent (Fiscal Agent), and the Funding Lender, including the form of Governmental Notes attached to the Funding Loan Agreement;

(2) The form of Borrower Loan Agreement (Borrower Loan Agreement), by and between the Authority and the Borrower; and

(3) The form of Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), by and among the Authority, the Fiscal Agent and the Borrower; 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 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, rehabilitation and equipping of the Project through the execution and delivery of the Governmental Notes 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 Governmental Notes. For the purpose of financing the acquisition, rehabilitation and equipping of the Project, the Authority approves the execution and delivery of the Governmental Notes in one or more series or subseries, in an aggregate principal amount not to exceed \$15,000,000; provided, however, that the total principal amount of any

Tax-Exempt Note shall not exceed the Allocation Amount, plus the amount of any supplemental allocation from CDLAC for the Project, if any. The Governmental Notes shall be 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. The Governmental Notes shall be in substantially the form attached to the Funding Loan Agreement, with such appropriate variations, omissions, insertions, and provisions as are required or permitted by the Funding Loan Agreement. The Governmental Notes 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 shall be paid and satisfied, solely from the revenues, receipts and other moneys and assets pledged under the Funding Loan Agreement.

Section 3. Execution and Delivery of the Governmental Notes. The Governmental Notes 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 Authority (Executive Director), President and Chief Executive Officer (President & CEO), Deputy Chief Executive Officer (Deputy 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 Governmental Notes and, to the extent required by the 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 Funding Loan Agreement. The Funding Loan Agreement, in the form on file in the Housing Commission offices, is approved. The Chairperson of the Authority, the Vice Chairperson, the Executive Director, the President & CEO, the EVP Real Estate, the SVP Housing Finance & Property Management, the VP Multifamily Housing Finance, and the Secretary or 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 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. Actions Ratified and Authorized. All prior actions taken by the officers, employees, and agents of the Authority with respect to the execution, sale and delivery of the Governmental 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 Governmental Notes and the making of the Loan in accordance with the Act and this Resolution.


Section 8. 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 Governmental Notes and the lending program financed by the Governmental Notes, 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 Governmental Notes, or any prepayment or redemption of the Governmental Notes 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 9. 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 10. 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
01/24/2024
Or.Dept: Housing Authority
Doc. No. 3539425

Passed and adopted by the Housing Authority of the City of San Diego on February 13, 2024, 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vacant	<input 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"/>
Kent Lee	<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:

[seal]

Lisa Jones

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. **2005** passed and adopted by the Housing Authority of the City of San Diego,
California on February 13, 2024.

By:



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