

SAN DIEGO HOUSING COMMISSION

RESOLUTION NUMBER HC- 1983

DATE OF FINAL PASSAGE April 6, 2023

A RESOLUTION OF THE SAN DIEGO HOUSING COMMISSION SETTING FORTH OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS OR NOTES TO FINANCE CUATRO AT CITY HEIGHTS 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 or notes for the purpose of financing the acquisition, construction, rehabilitation and equipping of multifamily affordable housing and for the provision of capital improvements in connection with and determined necessary to such multifamily affordable housing; and

WHEREAS, Wakeland Housing and Development Corporation (Sponsor) has requested that the Authority issue and sell tax-exempt and taxable multifamily housing revenue bonds or notes (Bonds) pursuant to the Act for the purpose of making a loan to a single purpose entity to be formed by the Sponsor (Borrower) to finance a portion of the cost of the acquisition, construction, and equipping of a scattered site multifamily affordable housing development located 4050 El Cajon Blvd, 3951, 4050 and 4102-4122 University Avenue, San Diego, CA 92105, as more fully identified in Exhibit A hereto (Project), including functionally related and ancillary facilities thereto; 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 sixty (60) days prior to the date of adoption of this Resolution to the date of issuance of the Bonds; and

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

WHEREAS, by its resolution HAR20-043 adopted on March 9, 2021, the Authority has delegated to the San Diego Housing Commission (the "Housing Commission") authority and responsibility for declaring on behalf of the Authority its intention to authorize the issuance of the Bonds for the purpose of financing a portion of the costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and conditions 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 \$70,000,000, of which not more than \$50,000,000 will be issued as tax-exempt Bonds, 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 CDLAC has certain policies that are to be satisfied in connection with any such allocation; NOW, THEREFORE,

BE IT RESOLVED, by the San Diego Housing Commission, as follows:

Section 1. Findings and Determinations.

(a) The above recitals, and each of them, are true and correct. The Housing Commission hereby determines that it is necessary and desirable to provide financing to the Borrower for the Project (including reimbursement of the Reimbursement Expenditures) by the Authority's issuance and sale of (i) tax-exempt Bonds pursuant to the Act in an aggregate principal amount not to exceed \$50,000,000 and (ii) taxable Bonds pursuant to the Act in an aggregate principal amount not to exceed \$20,000,000, all 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 (3) 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 Housing Commission 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 Housing Commission has a reasonable expectation that the Authority will issue the Bonds, in part, 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 Housing Commission in part for the purpose of establishing compliance with the requirements of sections 1.103-8(a)(5) and 1.150-2 of the Treasury Regulations. In such regard, the Housing Commission, for and on behalf of the Authority, hereby declares its official intent to use proceeds of the Bonds 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 of San Diego (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 acquisition, construction, rehabilitation and equipping 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 Housing Commission 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 \$50,000,000, 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. Approval of Bond Counsel and Bond Financial Advisor. The financing team of Squire Patton Boggs (US) LLP, as bond counsel, and Public Financial Management, as bond financial advisor, is approved for this Project.

Section 6. Authority of President & Chief Executive Officer of Housing Commission. The President & Chief Executive Officer of the Housing Commission, or designee, is hereby authorized 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 the approvals provided for in this Resolution.

EXHIBIT A

DESCRIPTION OF PROJECT

Name:	Cuatro at City Heights
Location:	4050 El Cajon Blvd, 3951, 4050 and 4102-4122 University Avenue, San Diego, CA 92105
Number of Units:	117 units
Maximum Tax-Exempt Bond Amount:	\$50,000,000
Maximum Taxable Bond Amount:	\$20,000,000

The foregoing Resolution is passed and adopted by the San Diego Housing Commission on April 6, 2023.

By:  _____
JEFF DAVIS, Interim President &
Chief Executive Officer of the
San Diego Housing Commission

Passed and adopted by the San Diego Housing Commission on April 6, 2023, and finalized on April 13, 2023, pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(1), by the following vote:

	Yeas	Nays	Excused	Not Present
Stefanie Benvenuto	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ryan Clumpner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Melinda K. Vásquez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johanna Hester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Kellee Hubbard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Eugene "Mitch" Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

Jeff Davis

Interim President & Chief Executive Officer of the
San Diego Housing Commission

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of
RESOLUTION NO. 1983 passed and adopted by the San Diego Housing Commission on
April 6, 2023, and finalized on April 13, 2023.

By:



Scott Marshall
Secretary of the San Diego Housing Commission