

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 2042

DATE OF FINAL PASSAGE July 22, 2025

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,500,000 TO PROVIDE ADDITIONAL FINANCING FOR THE ACQUISITION, REHABILITATION AND DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS SEA BREEZE GARDENS, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS.

RECITALS

The Housing Authority of the City of San Diego (Authority) adopts this Resolution based on the following:

A. The Authority will consider the issuance of tax-exempt notes for the purpose of making a loan to Sea Breeze Gardens Preservation LP, a California limited partnership (Borrower), to provide additional financing for the Borrower's acquisition, rehabilitation and development of a 268-unit (including three managers' units) multifamily rental housing facility located at 4802-4890 Logan Avenue within the City of San Diego (City) and known as "Sea Breeze Gardens" (Project).

B. Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code, as amended (Act), authorizes the Authority to incur indebtedness to finance the acquisition, construction, rehabilitation, and development of multifamily rental housing.

C. The Authority previously issued its \$75,000,000 Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Sea Breeze Gardens) Series 2024E (Series

2024E Bonds) on June 14, 2024, for the purpose of making a loan to the Borrower to provide financing for the Borrower's acquisition, rehabilitation and development of the Project.

D. The Borrower has requested that the Authority borrow funds and loan the funds to the Borrower to provide additional financing for the Borrower's acquisition, rehabilitation and development of the Project.

E. The Board of Commissioners of the Authority (Board) desires that a portion of the units in the Project be available for low income and very low income persons or families, and to accomplish this purpose, it is desirable for the Authority to issue revenue notes to finance costs of the acquisition, rehabilitation and development of the Project.

F. The Authority intends to issue and sell its Housing Authority of the City of San Diego Multifamily Housing Revenue Notes (Sea Breeze Gardens) Subordinate Series 2025A (Notes) in a principal amount not to exceed \$7,500,000, to Sterling Bank (Bank), evidencing a loan from the Bank to the Authority (Funding Loan) and apply the proceeds of the Funding Loan to fund a loan to the Borrower (Borrower Loan).

G. The Authority will fund the Borrower Loan, and the Borrower will use the proceeds of the Notes to finance costs of the acquisition, rehabilitation and development of the Project.

H. 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.

I. On April 25, 2025, 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 the Notes and on the nature and location of the Project.

J. The City Council, as the applicable elected representative under section 147(f) of the Code, approved the Authority's issuance of the Notes in an aggregate principal amount not to exceed \$7,500,000 on the date hereof.

K. 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.

L. On December 6, 2023, CDLAC allocated to the Project a total of \$75,000,000 of available State of California volume cap for private activity bonds under section 146 of the Code, which volume cap was used for the 2024E Bonds. On May 27, 2025, CDLAC allocated to the Project an additional total of \$7,500,000 of available State of California volume cap for private activity bonds under section 146 of the Code.

M. The following documents are presented for consideration:

(1) The form of Borrower Loan Agreement (Borrower Loan Agreement), by and between the Authority and the Borrower, and acknowledged by the Bank,

(2) 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 the Bank, including the form of the Governmental Lender Note attached thereto as Exhibit A,

(3) The form of First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants (First Amendment to Regulatory Agreement), by and among the Authority, the Borrower, the Fiscal Agent, and Federal Home Loan Mortgage Corporation, and

(4) The form of Assignment of Deed of Trust and Loan Documents (Assignment), by the Authority in favor of the Fiscal Agent for the benefit of the Bank.

N. Each of the above-referenced documents is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended.

O. The Project is consistent with the Final Environmental Impact Report (EIR) for the Southern San Diego and Encanto Neighborhoods Community Plan Updates (Project No. 386029/SCH No. 2014051075) which was certified by City Council Resolution No. R-310077 (December 2, 2015) in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code sections 21000-21189.70.10). This action to approve the issuance of Notes for the Project is a subsequent discretionary action within the scope of the development program evaluated in the EIR 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, 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.

P. 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.

ACTION ITEMS

Based on the Recitals set forth above, the Authority resolves as follows:

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 development of the Project through the execution and delivery of the Notes in order to assist persons of low income and very low income within the City of San Diego in obtaining decent, safe, and sanitary housing and to achieve certain other public purposes.
2. Authorization of Notes. For the purpose of financing the acquisition, rehabilitation and development of the Project, the Authority approves the issuance of the Notes in any number of subseries, in an aggregate principal amount not to exceed \$7,500,000. The Notes will be issued in the principal amount and will bear interest (which will 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 Notes will be in substantially the form attached as Exhibit A to the Funding Loan Agreement, with such appropriate variations, omissions, insertions, and provisions as are required or permitted by the Funding Loan Agreement. The Notes will be special, limited obligations of the Authority and will be payable as to principal and interest, and the obligations of the Authority under the Funding Loan Agreement will be paid and satisfied, solely from the revenues, receipts, and other moneys and assets pledged under the Funding Loan Agreement.
3. Execution and Delivery of the Notes. The Notes will 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) or President & CEO, Deputy CEO, Executive VP Real Estate,

Senior Vice President Housing Finance & Property Management, or Vice President Multifamily Housing Finance of the Housing Commission.

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, Vice Chairperson, and Executive Director, the President & CEO, Deputy CEO, Executive VP Real Estate, Senior Vice President Housing Finance & Property Management, or Vice President Multifamily Housing Finance of the Housing Commission, and the 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 Funding Loan Agreement, and the form of Governmental Lender Note attached thereto as Exhibit A, 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.

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.

6. Approval of First Amendment to Regulatory Agreement. The First Amendment to 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 First Amendment to 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 First Amendment to Regulatory Agreement approved in this Resolution.

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.

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 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 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 Notes and the making of the Loan in accordance with the Act and this Resolution.

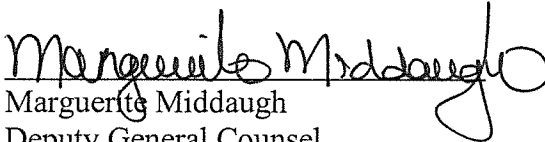
9. Further Consents, Approvals and Other Actions. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution or otherwise appropriate in the administration of the Notes and the lending

program financed by the Notes, including 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 Notes, or any prepayment or redemption of the 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 action that any of the Designated Officers may deem necessary or desirable to further the purposes of this Resolution.

10. Severability. If any section, paragraph, or provision of this Resolution will be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision will not affect any remaining provisions of this Resolution.

11. Effective Date. This Resolution will take effect immediately upon its adoption.

APPROVED: HEATHER FERBERT, General Counsel

By 
Marguerite Middaugh
Deputy General Counsel

MEM:jdf
07/07/2025
Or. Dept.: SDHC
Doc. No.: 4110529

Passed and adopted by the Housing Authority of the City of San Diego on July 22, 2025, 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"/>
Henry Foster III	<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"/>
Kent Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul Campillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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:

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. **2042** passed and adopted by the Housing Authority of the City of San Diego,
California on July 22 2025.

By:



Scott Marshall

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