

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

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 \$55,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION, AND DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS HILLCREST HALL, 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 and taxable bonds for the purpose of making a loan to Hillcrest Hall LP, a California limited partnership (Borrower), to provide financing for the Borrower's acquisition, construction, and development of a 98-unit (including one managers' units) multifamily rental housing facility located at 1601 University Avenue within the City of San Diego (City) and to be known as "Hillcrest Hall" (Project).

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

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

D. 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 bonds to finance costs of the acquisition, construction, and development of the Project.

E. The Authority intends to issue and sell its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Hillcrest Hall) 2026 Series A-1 (Tax-Exempt) (Tax-Exempt Bonds) in a principal amount not to exceed \$18,200,000, which Tax-Exempt Bonds are expected to be sold to Stifel, Nicolaus & Company, Incorporated (Underwriter), for a public offering.

F. The Authority intends to issue and sell its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Hillcrest Hall) 2026 Series A-2 (Taxable) (Taxable Bonds) in a principal amount not to exceed \$36,800,000, which Taxable Bonds are expected to be sold to the Underwriter for a public offering.

G. The Authority will loan the proceeds of the Tax-Exempt Bonds to the Borrower (Tax-Exempt Loan) and the Borrower will use the proceeds of the Tax-Exempt Bonds to finance costs of the acquisition, construction, and development of the Project.

H. The Authority will loan the proceeds of the Taxable Bonds to the Borrower (Taxable Loan) and the Borrower will use the proceeds of the Taxable Bonds to finance costs of the acquisition, construction, and development of the Project.

I. The Tax-Exempt Bonds and Taxable Bonds are expected to provide financing for the Project during its construction phase. Permanent financing for the Project is expected to be provided by a funding loan from Citibank, N.A. (Funding Loan) to the Authority, and the Authority is expected to loan the proceeds thereof to the Borrower (Borrower Loan).

J. The Authority's obligation under the Funding Loan is expected to be evidenced by a Housing Authority of the City of San Diego (Hillcrest Hall) Multifamily Housing Revenue Note (Note), to be issued to pay the purchase price of the Tax-Exempt Bonds.

K. 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.

L. On April 16, 2026, 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 Tax-Exempt Bonds and on the nature and location of the Project.

M. The City Council, as the applicable elected representative under section 147(f) of the Code, approved the Authority's issuance of the Tax-Exempt Bonds in an aggregate principal amount not to exceed \$20,000,000 on the date hereof.

N. 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.

O. On August 5, 2025, and pursuant to an amendment dated September 5, 2025, CDLAC allocated to the Project a total of \$18,200,000 of available State of California volume cap for private activity bonds under section 146 of the Code.

P. The following documents are presented for consideration:

(1) The form of the Trust Indenture (Tax-Exempt Indenture), by and between the Authority and trustee to be selected by the Authority (Trustee), including the form of the Tax-Exempt Bonds attached to the Tax-Exempt Indenture as Appendix A, the form of Funding Loan Agreement attached to the Tax-Exempt Indenture as Appendix C, and the form of Borrower Loan Agreement attached to the Tax-Exempt Indenture as Appendix D,

(2) The form of the Trust Indenture (Taxable Indenture), by and between the Authority and the Trustee, including the form of the Taxable Bonds attached to the Indenture as Appendix A,

(3) The form of Loan Agreement (Tax-Exempt Loan Agreement), by and between the Authority and the Borrower, including the form of the Promissory Note attached to the Tax-Exempt Loan Agreement as Exhibit A,

(4) The form of Loan Agreement (Taxable Loan Agreement), by and between the Authority and the Borrower, including the form of the Promissory Note attached to the Taxable Loan Agreement as Exhibit A,

(5) The form of Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), by and among the Authority, the Borrower and the Trustee,

(6) The form of the Bond Purchase Agreement (Bond Purchase Agreement), by and among the Authority, the Borrower and the Underwriter,

(7) The form of the Official Statement (Tax-Exempt Official Statement) to be used by the Underwriter in connection with the offering and sale of the Tax-Exempt Bonds, and

(8) The form of the Official Statement (Taxable Official Statement) to be used by the Underwriter in connection with the offering and sale of the Taxable Bonds.

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

R. The Project is consistent with the Final Environmental Impact Report (EIR) for the Uptown Community Plan (SCH No. 2016061023) which was certified by City Council Resolution R-3104766 (November 14, 2016) 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 PEIR 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. Processing under the National Environmental Policy Act is required because federal funds are involved in this action. Authority to Use Grant Funds was received from the U.S. Department of Housing and Urban Development on November 27, 2025.

S. 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

Be it resolved, by the Housing Authority of the City of San Diego, 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, construction and development of the Project through the execution and delivery of the Tax-Exempt Bonds, the

Taxable Bonds, and the Note 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 Tax-Exempt Bonds and Taxable Bonds. For the purpose of financing the acquisition, construction and development of the Project, the Authority approves the issuance of the Tax-Exempt Bonds and Taxable Bonds in any number of subseries, in an aggregate principal amount not to exceed \$55,000,000. 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 Tax-Exempt Indenture and Taxable Indenture, respectively. The Tax-Exempt Bonds shall be in substantially the form attached as Exhibit A to the Tax-Exempt Indenture, and the Taxable Bonds shall be in substantially the form attached as Exhibit A to the Taxable Indenture, with such appropriate variations, omissions, insertions, and provisions as are required or permitted by the Tax-Exempt Indenture or Taxable Indenture. The Tax-Exempt Bonds and Taxable 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 Tax-Exempt Indenture and Taxable Indenture, respectively, shall be paid and satisfied, solely from the revenues, receipts, and other moneys and assets pledged under the Tax-Exempt Indenture and Taxable Indenture, respectively.

3. Authorization of Note. For the purpose of providing permanent financing for the acquisition, construction and development of the Project, the Authority approves the issuance of the Note in any number of subseries, in an aggregate principal amount not to exceed the principal amount of the Tax-Exempt Bonds. The Note 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 Funding Loan Agreement. The Note shall 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 Note shall be a special, limited obligation 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.

4. Execution and Delivery of the Tax-Exempt Bonds and Taxable Bonds. The Tax-Exempt Bonds and Taxable 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) 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.

5. Execution and Delivery of the Note. The Note 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) 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.

6. Approval of the Tax-Exempt Indenture and Taxable Indenture. The Tax-Exempt Indenture and the Taxable Indenture, each in the form on file in the Housing Commission offices, are 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 Tax-Exempt Indenture and the Taxable 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 Tax-Exempt Indenture and Taxable Indenture approved in this Resolution.

7. Approval of Funding Loan Agreement and Borrower Loan Agreement. The Funding Loan Agreement and the Borrower Loan Agreement, each in the form attached to the Tax-Exempt Indenture as Appendix C and Appendix D, respectively, are approved. The Designated Officers are each authorized to execute and deliver the Funding Loan Agreement and the Borrower 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 and Borrower Loan Agreement approved in this Resolution.

8. Approval of Tax-Exempt Loan Agreement and Taxable Loan Agreement. The Tax-Exempt Loan Agreement and the Taxable Loan Agreement, each in the form on file in the Housing Commission offices, are approved. The Designated Officers are each authorized to execute and deliver the Tax-Exempt Loan Agreement and the Taxable Loan Agreement, and each Promissory Note attached thereto, 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 Tax-Exempt Loan Agreement, Taxable Loan Agreement, and Promissory Notes approved in this Resolution.

9. 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.

10. 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.

11. Approval of Tax-Exempt Official Statement and Taxable Official Statement. The Underwriter is authorized to distribute a preliminary Official Statement with respect to the Tax-Exempt Bonds and a preliminary Official Statement with respect to the Taxable Bonds, in substantially the forms placed on file with the Authority, to persons who may be interested in the purchase of the Tax-Exempt Bonds and Taxable Bonds, and to deliver the Official Statement in final form to the purchasers of the Tax-Exempt Bonds and the Official Statement in final form to

the purchasers of the Taxable Bonds, in each case with such changes as any Designated Officer, with advice of counsel to the Authority, deems desirable, necessary or appropriate.

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 Tax-Exempt Bonds, Taxable Bonds, and Note 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 Tax-Exempt Bonds and Taxable Bonds, the making of the Tax-Exempt Loan and the Taxable Loan, the issuance and delivery of the Note, and the making of the Borrower Loan in accordance with the Act and this Resolution.

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 Tax-Exempt Bonds, Taxable Bonds, Note and the lending program financed by the Tax-Exempt Bonds, Taxable Bonds, and Note, 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 Tax-Exempt Bonds, Taxable Bonds, or Note, or any prepayment or redemption of the Tax-Exempt Bonds, Taxable Bonds, or Note, 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.

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.

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

APPROVED: HEATHER FERBERT, General Counsel

By _____
Marguerite Middaugh
Deputy General Counsel

MEM:jdf
04/13/2026
Or. Dept.: SDHC
Doc. No.: 4395997