

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 2013

DATE OF FINAL PASSAGE May 21, 2024

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 \$75,000,000 TO FINANCE THE ACQUISITION, REHABILITATION AND DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS SEA BREEZE GARDENS, 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, rehabilitation, and development of multifamily rental housing; and

WHEREAS, Sea Breeze Gardens Preservation LP, a California limited partnership (Borrower), has requested that the Authority issue and sell bonds for the purpose of making a loan to the Borrower to finance 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); and

WHEREAS, 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 such purpose, it is desirable for the Authority to issue revenue bonds to finance costs of the acquisition, rehabilitation and development of the Project; and

WHEREAS, the Authority intends to issue and sell its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Sea Breeze Gardens) Series 2024E (Bonds) in a principal amount not to exceed \$75,000,000, which Bonds are expected to be sold to Stifel, Nicolaus & Company, Incorporated (Underwriter), for a public offering; and

WHEREAS, the Authority will loan the proceeds of the Bonds to the Borrower (Loan) and the Borrower will use the proceeds of the Bonds to finance costs of the acquisition, rehabilitation and development of the Project; 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 April 12, 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 the Bonds and on the nature and location of the Project; and

WHEREAS, the City Council, as the applicable elected representative under section 147(f) of the Code, approved the Authority’s issuance of the Bonds in an aggregate principal amount not to exceed \$75,000,000 on the date hereof; 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 obligations; and

WHEREAS, 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; and

WHEREAS, the following documents are presented for consideration:

- (1) The form of the Trust Indenture (Indenture), by and between the Authority and U.S. Bank Trust Company, National Association (Trustee), including the form of the Bonds attached to the Indenture as Exhibit A,
- (2) The form of Financing Agreement (Loan Agreement), by and among the Authority, the Trustee and the Borrower, including the form of the Bond Mortgage Note attached to the Financing Agreement as Exhibit A,
- (3) The form of Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), by and among the Authority, the Borrower and the Trustee,
- (4) The form of Intercreditor Agreement (Intercreditor Agreement), by and among the Authority, the Trustee, and Freddie Mac, as the credit enhancement provider for the Bonds,
- (5) The form of the Bond Purchase Agreement (Bond Purchase Agreement), by and among the Authority, the Borrower and the Underwriter,
- (6) The form of the Official Statement (Official Statement) to be used by the Underwriter in connection with the offering and sale of the Bonds, and
- (7) The form of Termination Agreement (Termination Agreement), by and among the Authority, Wells Fargo Bank, National Association, and Westview Garden Partners, Ltd., related to the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of January 1, 2008, recorded against the Project property; 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 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 Bonds 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, 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 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, construction and development of the Project through the execution and delivery of the Bonds 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.

Section 2. Authorization of Bonds. For the purpose of financing the acquisition, construction and development of the Project, the Authority approves the issuance of the Bonds in any number of subseries, in an aggregate principal amount not to exceed \$75,000,000. 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 Indenture. The Bonds shall be in substantially the form attached as Exhibit A to the Indenture, with such appropriate variations, omissions, insertions, and provisions as are required or permitted by the Indenture. 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.

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), 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.

Section 4. Approval of the Indenture. The Indenture, 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 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, and the Bond Mortgage 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 Loan Agreement and Bond Mortgage Note 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. Approval of Intercreditor Agreement. The Intercreditor Agreement, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Intercreditor 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 Intercreditor Agreement approved in this Resolution.

Section 8. 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 9. Approval of Official Statement. The Underwriter is authorized to distribute a preliminary Official Statement, in substantially the form placed on file with the Authority, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement in final form to the purchasers of the Bonds, in each case with such changes as any Designated Officer, with advice of counsel to the Authority, deems desirable, necessary or appropriate.

Section 10. Approval of Termination Agreement. The Termination Agreement, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Termination 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 Termination Agreement approved in this Resolution.

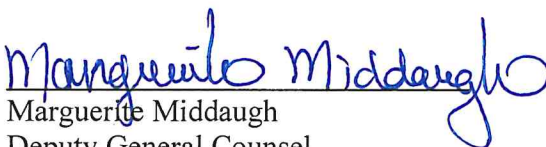
Section 11. Actions Ratified and Authorized. All prior actions taken by the officers, employees, and agents of the Authority with respect to the issuance and sale of the Bonds are approved, confirmed, and ratified, and the Designated Officers are each authorized, for and in the name and on behalf of the Authority, to take any and all actions and execute and deliver any and all certificates, agreements (including a tax 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 Bonds and the making of the Loan in accordance with the Act and this Resolution.

Section 12. 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 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 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 action that any of the Designated Officers may deem necessary or desirable to further the purposes of this Resolution.

Section 13. 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 14. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED: MARA W. ELLIOTT, General Counsel

By 
Marguerite Middaugh
Deputy General Counsel

MEM:jdf
05/06/2024
05/21/2024 REV.
Or. Dept.: Housing Authority
Doc No. 3542941_2
Companion to R-2024-532

Passed and adopted by the Housing Authority of the City of San Diego on May 21, 2024, by the following vote:

	Yeas	Nays	Excused	Not Present
Joe LaCava	☐	☒	☐	☐
Jennifer Campbell	☒	☐	☐	☐
Stephen Whitburn	☒	☐	☐	☐
Henry L. Foster III	☒	☐	☐	☐
Marni von Wilpert	☒	☐	☐	☐
Kent Lee	☒	☐	☐	☐
Raul Campillo	☒	☐	☐	☐
Vivian Moreno	☒	☐	☐	☐
Sean Elo-Rivera	☒	☐	☐	☐

AUTHENTICATED BY:

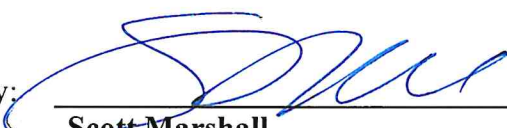
[seal]

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. **2013** passed and adopted by the Housing Authority of the City of San
Diego, California on May 21, 2024.

By:


Scott Marshall

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