

**Meeting Date: 02/25/2025 (08)**  
**Resolution No.: 25-011**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING (A) THE ISSUANCE BY CALIFORNIA PUBLIC FINANCE AUTHORITY OF ITS BONDS FOR THE BENEFIT OF PROVIDENT RESOURCES GROUP INC., AND ITS SUBSIDIARIES, IN ONE OR MORE SERIES, FROM TIME TO TIME PURSUANT TO A PLAN OF FINANCE, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$120,000,000 TO FINANCE AND/OR REFINANCE THE ACQUISITION, RENOVATION, CONSTRUCTION, FURNISHING, EQUIPPING AND IMPROVEMENT OF THE OASIS HOUSING PROJECT AND (B) A LESSENING OF THE BURDENS OF GOVERNMENT BY PROVIDENT RESOURCES GROUP INC. AND ITS SUBSIDIARIES PROCEEDING WITH THE PROJECT FOR THE BENEFIT OF THE COUNTY AND ITS RESIDENTS;**

**WHEREAS**, a California limited liability company (the **"Borrower"**), to be formed by and whose sole member is Provident Resources Group Inc., a Georgia nonprofit corporation (the **"Corporation"**), and a nonprofit corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the **"Code"**), will request under an initial application submitted by the current owner of the Project (as defined below), that the California Public Finance Authority (the **"Authority"**) issue qualified 501(c)(3) bonds as defined in Section 145 of the Code, in one or more series, from time to time pursuant to a plan of finance, in an aggregate principal amount not to exceed \$120,000,000 (the **"Bonds"**), the proceeds of which are to be loaned to the Borrower to finance the acquisition, design, development, construction, ownership, furnishing, equipping, improvement and operation of the Project as more particularly described in Exhibit A (the **"Project"**); and

**WHEREAS**, the Corporation was organized for the purpose of pursuing various charitable purposes within the meaning of Section 501(c)(3) of the Code, including without limitation, (a) to lessen the burdens of government, which charitable purpose may be accomplished through various means, including without limitation, the development, construction, acquisition, ownership, management, maintenance, operation and disposition of public facilities, public buildings, public works, essential housing and infrastructure of various types that serve the purposes and functions of government, the provisions of services and financial assistance, and the performance of activities that enable state and local government to proficiently carry out its functions and responsibilities to its communities, and economic development, and (b) to relieve the poor and distressed by providing safe, decent and sanitary housing to person of very low, low and moderate income, eliminate discrimination and prejudice and lessen neighborhood tensions in the communities in which is serves; and (c) to provide for the development, construction, acquisition, ownership, management, maintenance, operation, and disposition of facilities of various types, including, but not limited to, educational, research, dormitory and other housing-related facilities, so as to assist colleges and universities in fulfilling their educational mission (the **"Charitable Purpose"**); and

**WHEREAS**, the Borrower, which is a wholly owned and disregarded entity of the Corporation for federal tax purposes, is organized exclusively to further such Charitable Purpose

of the Corporation, which includes specifically among other purposes, the acquisition, development, ownership and operation of the Project; and

**WHEREAS**, 52 Blue Falcon, LLC, a California limited liability company, current owner of the unimproved site of the Project, will lease the site and the Project to the Borrower pursuant to a 50-year ground lease, with two renewal options of 10 years each, and Borrower will provide a leasehold mortgage for the benefit of owners of the Bonds, which are expected to have a 35-year term to maturity; and

**WHEREAS**, under State of California legal mandates and in furtherance of the intent of the County's Innovative Housing Trust Fund (Section 232.5 of Article XV of the San Diego County Code of Administrative Regulations) and related policies, the County has established goals and a purpose (a "**Governmental Burden**") to foster the creation, rehabilitation, or improvement of affordable housing for persons with low incomes ("**Housing**") within all housing categories in the County, including housing for transitional age youth enrolled in institutions of higher education within the County; and

**WHEREAS**, the Corporation has been approached to undertake the Project, and the Borrower is willing to undertake the Project only (i) if the County will benefit from the Project; and (ii) if the County approves undertaking the Project for the benefit of the County; and (iii) if the County agrees and acknowledges that the Project will satisfy and lessen its Governmental Burden, if approved by the County; and

**WHEREAS**, the Project is expected to consist of 182 units of affordable housing and student housing, with at least 10% of the total dwelling units to be for low-income households (19 units), at least 15% of 55 apartment units to be for very low-income households (9 units), and remaining units suitable for other low income or affordable housing uses as visitor accommodation or student housing (154 units) as more particularly described in Exhibit A; and

**WHEREAS**, the Corporation believes that (a) the Project would promote, further and advance the purposes and intents of the County, by providing affordable housing and parking accommodations for low and very-low income households, and low income students attending San Diego State University, as well as other colleges and universities in the area, (b) the Project would further, promote and advance the purposes and intents of the County by:

- (1) improving the economic well-being of the County;
- (2) encouraging and promoting economic development within the County;
- (3) furthering the public health, safety, welfare and convenience of the residents of the County;
- (4) increasing the availability of affordable and safe housing and parking accommodations for students at San Diego State University and the other colleges and universities in the County;
- (5) relieving traffic congestion, and improving pedestrian access;
- (6) supporting businesses within the County;
- (7) advancing the educational missions of San Diego State University and other colleges and universities in the area; and

- (8) lessening the burdens of the County to provide for such housing and parking accommodations and to undertake such urban areas revitalization projects; and

**WHEREAS**, the County acknowledges the Corporation's mission to lessen the burdens of government for states, counties, and cities, and to provide affordable housing, and acknowledges the benefits to be received by the County from the Project, including the lessening of the Governmental Burden; and

**WHEREAS**, the Borrower intends (provided the Project is not transferred under the Bond documents as long as the Bonds are outstanding) that (i) all residual revenues derived from the operation of the Project, after payment of operating expenses, bond indebtedness and required reserves will inure to the benefit and be paid to the County, or as otherwise directed by the County, and (ii) upon payment in full of the Bonds, the Project will continue to be operated for the benefit of the County, or disposed of as directed by the County, with the proceeds donated to the County; and

**WHEREAS**, the Borrower will pursue the issuance by the Authority of its Bonds, to finance the acquisition, design, development, construction, ownership, furnishing, equipping, improvement and operation of the Project; and

**WHEREAS**, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by an applicable legislative body having jurisdiction over the area in which all or a portion of the Project is located; and

**WHEREAS**, the Project is located within the territorial limits of the County; and

**WHEREAS**, the Board of Supervisors (the "**Board**") of the County of San Diego (the "**County**") is the elected legislative body of the County, and an "applicable elected representative" allowed to approve the issuance of the Bonds under Section 147(f) of the Code; and

**WHEREAS**, the Authority has requested that the Board approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code; and

**WHEREAS**, pursuant to Section 147(f) of the Code, following notice duly given, a public hearing was held at which interested persons were given an opportunity to express their views for or against the issuance of the Bonds and on the nature and location of the Project, and the Board now desires to approve the issuance of the Bonds by the Authority; and

**WHEREAS**, it is in the public interest and for the public benefit that the Board approve the issuance of the Bonds by the Authority for the aforesaid purposes;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Supervisors of the County of San Diego as follows:

**Section 1.** On information and belief, the foregoing recitals are true and correct, and the County may fully rely on the assertions and declarations of Corporation and Borrower as set

forth in the foregoing recitals, and in the sufficiency and legality of its organization, purpose, and actions undertaken pursuant to any and all agreements undertaken for the Project.

**Section 2.** The Board acknowledges that the County has the authority to foster the creation, rehabilitation, or improvement of Housing such as the Project in furtherance of the County's Innovative Housing Trust Fund, and hereby determines that the Project satisfies a legitimate governmental burden and public purpose of the County, that this resolution constitutes an approval for the Corporation and the Borrower to undertake the Project for the benefit of the County and its residents and to lessen its Governmental Burden. This resolution constitutes a finding that the Project will actually lessen the Governmental Burden and accomplish the housing goals and mandates of the County, by providing needed affordable housing, to households and students within the County.

**Section 3.** Nothing in this resolution shall be construed to create any obligation, or liability of the County in any respect whatsoever arising out of or pertaining to the Project, any bonds or other obligations issued to finance the Project, or the payment of costs incurred in connection therewith. The Bonds issued in connection with the Project will not constitute an indebtedness or pledge of the County within the meaning of any constitutional or statutory provision, and the County will have no responsibility or liability for the payment thereof.

**Section 4.** The Board hereby approves the issuance of the Bonds by the Authority, from time to time pursuant to a plan of finance, for the financing and/or refinancing of the Project. It is ~~the purpose and intent of the Board that this resolution constitutes approval of the issuance of the~~ Bonds by the Authority for the purposes of Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f).

**Section 5.** The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The County shall have no responsibility or liability whatsoever with respect to the Bonds.

**Section 6.** The purpose and effect of this resolution is limited exclusively to (i) consenting to the Borrower's and the Corporations undertaking the Project for the benefit of the County in satisfaction of the County's Governmental Burden; and (ii) satisfying the requirement of Section 147(f) of the Code and confirming the charitable purpose of the Borrower. The County shall not be considered, deemed or otherwise treated as approving the Bonds or the Project for any other purpose. The County has not reviewed and will not review the terms of the Bonds, any of the documents providing for their issuance or security or any of the information contained in the limited offering memorandum or other disclosure document to be used in offering the Bonds for sale. The County shall not be required to take any other action in support of the Bonds or the Project and shall have no liability by reason of or in any way related to this resolution, the Bonds or the Project.

**Section 7.** The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

**Section 8.** This resolution shall take effect immediately upon its adoption.

APPROVED AS TO FORM AND LEGALITY  
CLAUDIA G. SILVA, COUNTY COUNSEL  
~~By: WALTER J. DE LORRELL III, CHIEF DEPUTY~~

## **EXHIBIT A**

### **Project**

The Project is a five-story residential rental project to consist of 182 units with 147 residential parking spaces at 6650 Montezuma Rd, San Diego, California 92115. The Project is expected to include affordable housing and student housing subject to the following income limits by deed restriction.

At least 15% of 55 apartment units to be Very Low Income Units (9 units) based on a 55 unit density bonus. Very Low Income is 50% of the \$119,500\* 2024 Area Median Income (AMI) for San Diego County.\*

At least 10% of 182 apartment units to be Low Income Units (19 units). Low Income is 80% of the \$119,500\* 2024 AMI for San Diego County.

Remaining units are considered transient units to be used as visitor accommodation units or “student housing” and are exempt until and unless they are converted to residential units at which time they are then subject to the required number of low income units. These transient units, if deemed student housing units, qualify as Low Income or affordable housing since most student incomes are within the AMI.

The Borrower will contract with Strategy Builders Inc., located in La Mesa, California, as developer, and a contractor yet to be designated, for development of the Project. The developer is an entity unrelated to ~~the current owner of the unimproved site of the Project, the Corporation and the Borrower.~~

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\* Effective April 17, 2024, as adjusted for family size and other factors adopted and amended from time to time by the U.S. Department of Housing and Urban Development (HUD), subject to annual adjustment.

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Desmond, the above Resolution was passed and adopted by the Board of Supervisors, County of San Diego, State of California, on this 25<sup>th</sup> day of February 2025, by the following vote:

AYES: Anderson, Lawson-Remer, Montgomery Steppe, Desmond


ABSENT: (District 1 Seat Vacant)

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STATE OF CALIFORNIA)  
County of San Diego) <sup>SS</sup>

I hereby certify that the foregoing is a full, true and correct copy of the Original Resolution entered in the Minutes of the Board of Supervisors.

ANDREW POTTER  
Clerk of the Board of Supervisors

By:   
Nancy Vizcarra, Deputy



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