

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. R-1116
ADOPTED ON JULY 17, 2001

A RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BOND ANTICIPATION NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$11,000,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION AND CONSTRUCTION OF THE ISLAND VILLAGE MULTIFAMILY RENTAL HOUSING PROJECT, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY AND ALL DOCUMENTS NECESSARY TO ISSUE THE NOTES AND IMPLEMENT THIS RESOLUTION, AND RATIFYING AND APPROVING ANY ACTION HERETOFORE TAKEN IN CONNECTION WITH THE NOTES.

WHEREAS, pursuant to Section 34312.3 of the California Health & Safety Code [Housing Law], the Housing Authority of the City of San Diego [Authority] is empowered to issue revenue bonds, including notes, for the purpose of financing the acquisition, construction, rehabilitation refinancing or development of multifamily rental housing; and

WHEREAS, Island Palms Apartments, L.P., a California Limited partnership [Owner] intends to acquire and construct a 280-unit project located at 1245 Market Street, San Diego, California [Project]; and

WHEREAS, the Owner has requested the Authority to issue tax-exempt and taxable multifamily housing mortgage revenue bond anticipation notes and loan the proceeds of the Notes to the Owner to finance the acquisition and construction of the Project; and

WHEREAS, the Board of Commissioners of the Authority [Board] desires to assist the Owner by making a portion of the units in the Project available for low and very low income

persons or families, and in order to accomplish such purposes it is desirable for the Authority to provide for the issuance of the bonds and financing of the Project; and

WHEREAS, the owner has obtained a commitment from Freddie Mac to provide credit enhancement for a long-term mortgage loan for the Project and Freddie Mac will, subject to the satisfaction of certain conditions, facilitate the financing of the Project by causing the issuance of a credit facility [Credit Facility] guaranteeing payments of principal and interest on the loan; and

WHEREAS, Government Code section 50191 requires a local agency to file an application with the California Debt Limit Allocation Committee [Committee] prior to the issuance of tax-exempt multifamily housing revenue bonds; and

WHEREAS, the Committee has allocated to the Project \$11,000,000 of the State of California 2001 State ceiling for private activity Notes under Section 146 of the Internal Revenue Code of 1986 [Allocation]; and

WHEREAS, due to a change in the identity of the partners of the Owner subsequent to the award of the Allocation, Freddie Mac has advised the Owner that it will not be able to deliver the Credit Facility prior to the expiration of the Allocation on August 6, 2001; and

WHEREAS, in order to preserve the Allocation for the Project, the Owner has requested that the Authority issue \$11,000,000 of its Multifamily Housing Revenue Bond Anticipation Notes 2001 (Island Village Apartments) [Notes], which will mature on or about March 1, 2002, and are expected to be refunded with long-term bonds once the conditions to the delivery of the Credit Facility are satisfied; and

WHEREAS, the Authority as determined that the issuance of the Notes and the preservation of the Allocation are in the public interest, and will increase the supply of housing for low and very low income tenants; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the

City of San Diego, as follows:

1. In accordance with the Housing Law and pursuant to the Indenture, the Authority is authorized to issue the Notes to be designated as “Housing Authority of the City of San Diego Multifamily Housing Revenue Bond Anticipation Notes 2001 (Island Village Apartments),” in an aggregate principal amount not to exceed \$11,000,000 Notes with an interest rate, a maturity date and other terms as provided in the Indenture as finally executed for the Notes. The Notes shall be in the form set forth in and otherwise in accordance with the Indenture, and shall be executed by the manual or facsimile signature of the Executive Director of the Authority and attested by the manual or facsimile signature of the Secretary of the Authority.
2. The form of trust indenture [Indenture] between the Authority and U.S. Bank Trust National Association, as trustee [Trustee] in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 720, is approved for the Notes. Any one of the Chairman, the Executive Director or the Chief of Staff of the Housing Commission, or any written designee thereof [Authorized Officer], is authorized to execute, and the Secretary of the Authority is authorized to attest, the Indenture in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 7 hereof. The date, maturity date, interest rate, interest payment date or dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption, and other terms of the Notes shall be as provided in the Indenture as finally executed.

3. The form of loan agreement [Loan Agreement] between the Authority and the Owner, in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 721, is approved. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to attest, the Loan Agreement, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 7.
4. The form of regulatory agreement and declaration of restrictive covenants [Regulatory Agreement], among the Authority, the Trustee and the Owner, in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 722, is approved. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to attest, the Regulatory Agreement, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 7.
5. The Authority is authorized to sell the Notes to Newman & Associates, Inc. [Purchaser], pursuant to the terms and conditions of a note purchase contract [Purchase Contract] among the Authority, the Owner and the Purchaser, in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 723, and such Purchase Contract is approved for the Notes. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to attest, the Purchase Contract, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance

with Section 8.

6. The form of the Preliminary Official Statement presented at this meeting is hereby approved and the Purchaser is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Notes in the form hereby approved, together with such additions thereto and changes therein as are determined necessary by the Executive Director of the Authority, or her written designee, to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, including, but not limited to, such additions and changes as are necessary to reflect the terms imposed by any rating agency or to make the information therein accurate and not misleading. Each Authorized Officer is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Authorized Officer to make such Official Statement complete and accurate as of its date. The Purchaser is further authorized to distribute the final Official Statement for the Notes and any supplement thereto to the purchasers thereof upon its execution on behalf of the Authority as described above.
7. Any Authorized Officer executing a document approved herein, in consultation with General Counsel to the Authority and Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, is authorized to approve and make such modifications, changes or additions to the Indenture, the Loan Agreement, the Regulatory Agreement, the Purchase Contract, the Preliminary Official Statement and the final Official Statement, or other document as may be necessary or advisable, and the approval of any

modification, change or addition to any of the aforementioned agreements shall be evidenced conclusively by the execution and delivery thereof by such Authorized Officer. Further, any Authorized Officer, acting alone, is authorized to execute any assignment agreement or other document related to the loan made to the Owner from the proceeds of the Note.

8. All actions heretofore 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 officers, employees and agents of the Authority are authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those documents described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Board. In the event that the Secretary of the Authority is unavailable to sign any document related to the Notes, any Deputy Secretary of the Authority may sign on behalf of the Secretary.
9. All prior resolutions or parts thereof in conflict with this resolution herewith are, to the extent of such conflict, repealed.
10. 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 sections, paragraphs or provisions of this resolution.

This resolution shall take effect immediately upon its adoption.

APPROVED: CASEY GWINN, General Counsel

By

Prescilla Dugard
Deputy General Counsel

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