

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER 1136

ADOPTED ON NOVEMBER 27, 2001

A RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING BONDS 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 BONDS AND IMPLEMENT THIS RESOLUTION, AND RATIFYING AND APPROVING ANY ACTION HERETOFORE TAKEN IN CONNECTION WITH THE BONDS.

WHEREAS, pursuant to Section 34312.3 of the California Health & Safety Code [Housing Law], the Housing Authority of the City of San Diego [the Authority] is empowered to issue revenue bonds 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 [the Borrower], intends to acquire and construct a 280-unit project located at 1245 Market Street, San Diego, California [the Project]; and

WHEREAS, the Borrower has requested the Authority to issue multifamily housing mortgage revenue bonds and loan the proceeds of the bonds to the Borrower to provide construction and financing for the Project; and

WHEREAS, the Board of Commissioners of the Authority [the Board] desires to assist the Borrower 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 Authority will loan the proceeds of the bonds to the Borrower; and

WHEREAS, Freddie Mac will, subject to the satisfaction of certain conditions, facilitate the financing of the Project by causing the issuance of a credit facility [the 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 [the 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 bonds under Section 146 of the Internal Revenue Code of 1986; and

WHEREAS, for a number of reasons, including the change in the identity of the partners of the Borrower subsequent to the award of the Allocation, Freddie Mac advised the Borrower that it would 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 Authority issued \$11,000,000 of its Multifamily Housing Revenue Bond Anticipation Notes, 2001 (Island Village Apartments) [the Notes], which mature on December 31, 2001; and

WHEREAS, the Authority now desires to issue bonds to refund the Notes and provide long-term financing for the Project; 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 (hereinafter defined), the Authority is authorized to issue the bonds in one or more series to be designated "Housing Authority of the City of San Diego Multifamily Housing Mortgage Revenue Bonds" (Island Village

Apartments), in an aggregate principal amount not to exceed \$11,000,000 [the Bonds], with an interest rate or rates, a maturity date or dates and other terms as provided in the Indenture as finally executed for the Bonds. The Bonds shall be in the forms 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 the manual or facsimile seal of the Authority shall be impressed or reproduced thereon and attested by the manual or facsimile signature of the Secretary of the Authority.

2. The form of trust indenture [the Indenture], between the Authority and U.S. Bank Trust National Association, as trustee [the 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. 732, is approved for the Bonds. Any one of the Chairman or Executive Director or any designee thereof [each, an 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 8 hereof. The date, maturity date or dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption, and other terms of the Bonds shall be as provided in the Indenture as finally executed.

3. The form of financing agreement [the Financing Agreement], among the Authority, the Borrower and the 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. 733, is approved. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to attest, the Financing Agreement, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 8 hereof.

4. The form of regulatory agreement and declaration of restrictive covenants [the Regulatory

Agreement], among the Authority, the Trustee and the Borrower, 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.734, 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 8 hereof.

5. The form of intercreditor agreement [the Assignment], among the Authority, the Trustee, Citibank, F.S.B. and Freddie Mac, 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. 735, is approved. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to attest, the Assignment, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 8 hereof.

6. The Authority is authorized to sell the Bonds to Newman & Associates, Inc. [the Purchaser] pursuant to the terms and conditions of a bond purchase contract [the Purchase Contract] among the Authority and the Borrower, 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. 736, and such Purchase Contract is approved for the Bonds. 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 hereof.

7. The form of the Preliminary Official Statement presented at this meeting is approved and the Purchaser is authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in the form 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 Freddie Mac or to make the information therein accurate and not misleading. Each Authorized Officer is 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 Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of the Authority as described above.

8. 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 Financing Agreement, the Regulatory Agreement, the Assignment, 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.

9. All actions heretofore 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 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 Bonds

and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Board. If the Secretary of the Authority is unavailable to sign any document related to the Bonds, any Deputy Secretary of the Authority may sign on behalf of the Secretary.

10. All prior resolutions or parts thereof in conflict with this resolution herewith are, to the extent of such conflict, repealed.

11. 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 Counsel

PD:cdk
11/08/01
Orig.Dept.SDHC
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