

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 1146

ADOPTED ON JANUARY 15, 2002

A RESOLUTION SETTING FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO FINANCE THE HOLLYWOOD PALMS APARTMENTS PROJECT AND AUTHORIZING RELATED ACTIONS.

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended [the Act], the Housing Authority of the City of San Diego [the Authority] is authorized to issue revenue bonds for the purpose of financing the acquisition, construction, rehabilitation, refinancing, or development of multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to the multifamily rental housing; and

WHEREAS, the Authority has issued \$6,055,000 aggregate principal amount of Multifamily Housing Revenue Bonds (Hollywood Palms Apartments) 2001 Series C and \$500,000 aggregate principal amount of Multifamily Housing Revenue Bonds (Hollywood Palms Apartments) 2001 Series D to finance the acquisition and construction of approximately 96 units of multifamily rental housing located at 4366 Home Avenue in the City of San Diego; and

WHEREAS, San Diego/Fox Hollow, L.P. or an entity in which San Diego/Fox Hollow, L.P. has an ownership [the Borrower], has requested the Authority to issue and sell up to \$1,500,000 in multifamily housing revenue bonds [the Bonds] pursuant to the Act as a second series of bonds to finance a portion of the costs of the acquisition and construction of the Project;

and

WHEREAS, the Authority, in the course of assisting the Borrower in financing the Project, expects that the Borrower has paid and may pay certain expenditures [the Reimbursement Expenditures] in connection with the Project within the period from the date 60 days prior to the adoption of this Resolution to the date of issuance of the Bonds; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed \$1,500,000; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee [CDLAC] for such allocation, and the Committee has certain policies that

are to be satisfied in connection with any such allocation; and

WHEREAS, the Authority authorized a Housing Commission Loan of up to \$2,200,000 to the Project (Resolution 1111 adopted on July 17, 2001); NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of San Diego, as follows:

1. Finding and Determination. The above recitals, and each of them, are true and correct. The Authority determines that it is necessary and desirable to provide financing for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act in an aggregate principal amount not to exceed \$1,500,000, subject to authorization of the issuance of the Bonds by resolution of the Authority at a meeting to be held for such purpose.

2. Declaration of Official Intent. This resolution is being adopted by the Authority solely for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority, the City or any officer or agent of the City will grant any such approval, consent or permit that may be required in connection with the acquisition and construction of the Project, or that either the Authority or the City will make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

3. Application to CDLAC. The officers and/or the program managers of the Authority

are authorized and directed to apply to CDLAC (Round I and, if necessary, subsequent rounds of the 2002 calendar year) for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed \$1,500,000, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are ratified, approved and confirmed.

4. Subordination of Housing Commission Loan. Provided that the second series of bonds totaling up to \$1,500,000 meet the Housing Commission's underwriting standards, the Housing Commission is authorized to subordinate its loan to this new debt.

5. Approval of Financing Team. Joe Litten is approved as the Financial Advisor; Stradling Yocca Carlson & Rauth is approved as Bond Counsel; and Newman & Associates, Inc. is approved as Bond Underwriter.

6. This resolution shall take effect immediately upon its adoption.

APPROVED: CASEY GWINN, General Counsel

By _____
Prescilla Dugard
Deputy Counsel

PD:cdk
12/18/01
Or.Dept:SDHC
HA-2002-34