

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. 1158
ADOPTED ON MAY 28, 2002

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,048,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION AND CONSTRUCTION OF A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS VILLA GLEN APARTMENTS, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATED THERETO, AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND RELATED AGREEMENTS AND ACTIONS.

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code, 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, CIC Villas II, L.P., a California limited partnership [the Borrower], has requested the Authority to issue such revenue bonds to finance the acquisition and construction by the Borrower of a multifamily rental housing project within the jurisdiction of the Authority [the Project] and comprised of the property described in the "TEFRA" Notice attached hereto as Exhibit A and by this reference made a part hereof; and

WHEREAS, one of the general partners of the Borrower is to be Pacific

Southwest Community Development Corporation, and the Borrower has agreed that any replacement or substitution for such general partner will be subject to the approval of the Authority; and

WHEREAS, the Board of Commissioners of the Authority [the Board] has determined to approve the issuance by the Authority of up to \$2,048,000 principal amount of the Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Villa Glen Apartments) in two or more series as provided herein [the Bonds] and the financing of two or more mortgage loans to be made to the Borrower for the Project [the Mortgage Loan]; and

WHEREAS, in accordance with the allocation granted by the California Debt Limit Allocation Committee, \$2,048,000 principal amount of such Bonds may bear interest that is excluded from gross income for federal income tax purposes; and

WHEREAS, the \$2,048,000 principal amount is within the amount approved by the City Council of the City of San Diego on January 15, 2002, after publication of the “TEFRA” notice and the holding of the “TEFRA” hearing as required by the Treasury Regulations; and

WHEREAS, Newman & Associates, Inc. [the Underwriter] has expressed its intention to purchase the Bonds, and the Board finds that the public interest and necessity require that the Authority at this time make arrangements for the sale of such Bonds; and

WHEREAS, there have been prepared and presented to the Board for consideration at this meeting the following documents; and

(1) The form of Trust Indenture [the Senior Indenture], by and between the Authority and trustee named therein [the Senior Trustee], including the related form of Bond; and

(2) The form of Financing Agreement [the Financing Agreement], by and among the Authority, the Borrower and the Senior Trustee; and

(3) The form of Subordinate Indenture (the Subordinate Indenture and, together with the Senior Indenture, the Indentures), by and between the Authority and the trustee named therein, as trustee [the Subordinate Trustee], including the related form of Bond; and

(4) The form of Loan Agreement [the Loan Agreement], by and between the Authority and the Borrower; and

(5) The form of Regulatory Agreement [the Regulatory Agreement], by and among the Authority, the Senior Trustee, the Subordinate Trustee and the Borrower, to be entered into with respect to the Project; and

(6) The forms of Preliminary Official Statements relating to the Bonds [each a Preliminary Official Statement]; and

(7) The forms of Bond Purchase Agreements [each a Bond Purchase Agreement], by and among the Authority, the Borrower and the Underwriter; and

(8) The form of Intercreditor Agreement [the Intercreditor Agreement], by and among the Authority, the Senior Trustee and the Federal National Mortgage Association [Fannie Mae], to be entered into with respect to the Project; and

(9) The forms of Subordination Agreements [each a Subordination Agreement], by and among the Authority, the Trustees, Bank of America, N.A., Fannie Mae and the Borrower, as appropriate, to be entered into with respect to the Project; and

WHEREAS, it appears that each of the documents and instruments above referred to which is now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended; 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. It is found and determined that it is necessary and desirable for the Authority to provide for the financing of the acquisition and construction of the Project through the issuance and sale of the Bonds in order to assist persons of low or moderate income within the City of San Diego in obtaining decent, safe and sanitary housing and to achieve certain other public purposes.

2. Authorization of Bonds. For the purpose of financing the acquisition and construction of the Project, the Authority determines to issue the Bonds in two or more series and in an aggregate principal amount not to exceed \$2,048,000. The Bonds shall bear such rates of interest and shall mature on such dates as provided in the Indentures. The Bonds shall be in substantially the forms set forth in the Indentures, with such appropriate variations, omissions, insertions and provisions as are required or permitted by the Indentures. 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 Indentures shall be paid and satisfied, solely from the revenues, receipts and other moneys and assets pledged therefor under the Indentures.

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 Chairman, Vice Chairman or the Executive Director, and the official seal of the Authority, or a facsimile thereof, shall be impressed or imprinted thereon and attested with the manual or facsimile signature of the Secretary or a deputy Secretary of the Authority.

4. Approval of the Indentures. To provide for the terms of the Bonds, and to prescribe the terms and conditions upon which they are to be issued, secured, executed, authenticated and held, and upon which the Mortgage Loan is to be made, the Chairman, the Vice Chairman, the Executive Director and the Secretary or a deputy Secretary, or the designee

of any such officer [any such officer and respective designees are hereinafter referred to collectively as the Designated Officers] are each authorized to execute and deliver the Indentures (copies of the forms of which are on file in the Housing Commission offices as Documents No. 746), in substantially the forms presented to this meeting and with such changes as may be approved by the Designated Officers executing the same, upon consultation with the General Counsel to the Authority, their execution thereof to constitute conclusive evidence of their approval of all changes from the forms of Indentures presented to this meeting, which forms of Indentures are in all respects approved and incorporated by reference and made a part hereof.

5. Approval of Financing Agreement and Loan Agreement. To provide for the terms of the Mortgage Loan, and the duties and obligations of the Borrower, the Trustee and the Authority relating to the Mortgage Loan, the Designated Officers are each authorized to execute and deliver the Financing Agreement and the Loan Agreement (copies of the forms of which are on file in Housing Commission offices as Documents No. 747, respectively), in substantially the forms presented to this meeting and with such changes as may be approved by the Designated Officers executing the same, upon consultation with the General Counsel to the Authority, their execution thereof to constitute conclusive evidence of their approval of all changes from the forms of Financing Agreement and Loan Agreement presented to this meeting, which forms of Financing Agreement and Loan Agreement are in all respects approved.

6. Approval of Regulatory Agreement. To evidence the requirements of the Act, the Internal Revenue Code and the Authority with respect to the Bonds and the Project, the Designated Officers are each authorized to execute and deliver with respect to the Project a Regulatory Agreement (a copy of the form of which is on file in the Housing Commission offices as Document No. 748), in substantially the form presented to this meeting and with such

changes as may be approved by the Designated Officers executing the same, upon consultation with the General Counsel to the Authority, their execution thereof to constitute conclusive evidence of their approval of all changes from the form of Regulatory Agreement presented to this meeting, which form of Regulatory Agreement is in all respects approved.

7. Approval of Preliminary Official Statements. The forms of preliminary official statements relating to the Bonds, to be used in connection with the offer and sale of the Bonds, in substantially the forms presented to the Board (copies of which are on file in the Housing Commission offices as Documents No. 749), are approved, and the Board ratifies and approves distribution of the Preliminary Official Statements to prospective purchasers of the Bonds, as applicable. Any Designated Officer is authorized to execute, at the time of sale of the Bonds, said forms of Preliminary Official Statement as the final Official Statements (the “Official Statement”), with such additions thereto or changes therein as such Designated Officer may approve or recommend.

8. Approval of Bond Purchase Agreements. The Authority is authorized to sell the Bonds to the Underwriter pursuant to the terms and conditions of the Bond Purchase Agreements, in substantially the forms presented to the Board (copies of which are on file in the Housing Commission offices as Documents No. 750), and such Bond Purchase Agreements are approved. Any Designated Officer is authorized to execute the Bond Purchase Agreements, in substantially said forms, with such additions thereto and changes therein as such Designated Officer may approve or recommend.

9. Approval of Intercreditor Agreement and Subordination Agreements. To evidence certain requirements with respect to the Bonds and the Project, the Designated Officers are each authorized to execute and deliver an Intercreditor Agreement (a copy of the form of which is on

file in the Housing Commission offices as Document No. 751) and Subordination Agreements (copies of the forms of which are on file in the Housing Commission offices as Documents No. 752), in substantially the forms presented to this meeting and with such changes as may be approved by the Designated Officers executing the same, upon consultation with the General Counsel to the Authority, their execution thereof to constitute conclusive evidence of their approval of all changes from the form of Intercreditor Agreement and Subordination Agreements presented to this meeting, which form of Intercreditor Agreement and Subordination Agreements are in all respects approved.

10. Actions Ratified and Authorized. All actions heretofore taken by the officers 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 do any and all things and take any and all actions and execute and deliver any and all certificates, agreements (including one or more investment agreements and a tax agreement) and other documents, including but not limited to those described in any of the documents 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 the making of the Mortgage Loan in accordance with the Act and this resolution.

11. 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 thereby, including without limitation any of the foregoing which 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, any redemption of the Bonds or the selection

of, or any replacement or substitution for Pacific Southwest Community Development Corporation as a general partner of the Borrower, may be taken or given by the Chairman, the Vice Chairman or the Executive Director of the Authority without further authorization by the Board of Commissioners, and the Chairman, the Vice Chairman and the Executive Director are authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

12. Conflicting Resolutions Repealed. All resolutions or parts thereto in conflict herewith are, to the extent of such conflict, repealed.

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.

14. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED: CASEY GWINN, General Counsel

By: _____
Prescilla Dugard
Deputy Counsel

PD:cdk
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Orig.Dept.:SDHC
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