

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO
RESOLUTION NUMBER 1162
ADOPTED ON JUNE 18, 2002

A RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,250,000 TO PROVIDE ADDITIONAL FINANCING FOR THE ACQUISITION AND CONSTRUCTION OF THE HOLLYWOOD PALMS 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, in 2001, San Diego/Fox Hollow L.P., a California limited partnership [the Borrower], acquired and began constructing a 94-unit project located at 4366 Home Avenue, in the City of San Diego [the Project] using proceeds from the Authority's Multifamily Housing Revenue Bonds (Hollywood Palms Apartments) 2001 Series C and Series D, collectively [the 2001 Bonds]; and

WHEREAS, the Borrower has requested the Authority to issue multifamily housing revenue bonds [the Series D-2 Bonds] and loan the proceeds of the Series D-2 Bonds to the

Borrower to provide additional subordinate financing for the acquisition and construction of the Project; and

WHEREAS, the Authority will loan the proceeds of the Series D-2 Bonds to the Borrower; and

WHEREAS, Bank of America, N. A. [Bank of America] will, subject to the satisfaction of certain conditions, facilitate the issuance of the Series D-2 Bonds by issuing a letter of credit [the Credit Facility] to be available to make the payments of principal and interest on the Series D-2 Bonds; 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 \$1,250,000 of the State of California 2002 State ceiling for private activity bonds under Section 146 of the Internal Revenue Code of 1986; and

WHEREAS, there have been prepared and presented to the Board of Commissioners for the Housing Authority [the Board] for consideration at this meeting the following documents:

(1) The form of Trust Indenture [the Indenture], by and between the Authority and U. S. Bank, N.A., as trustee [the Trustee], including the related form of Bond; and

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

(3) The form of Intercreditor Agreement [the Intercreditor Agreement], by and among the Authority, the Trustee and Bank of America, 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 additional financing of the acquisition and construction of the Project through the issuance and sale of the Series D-2 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. In accordance with the Housing Law and pursuant to the Indenture (hereinafter defined), the Authority is authorized to issue the Series D-2 Bonds in one or more series to be designated "Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Hollywood Palms Apartments) 2001 Series D-2", in an aggregate principal amount not to exceed \$1,250,000, with an interest rate or rates, a maturity date or dates and other terms as provided in the Indenture as finally executed for the Series D-2 Bonds. The Series D-2 Bonds 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 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.

3. Approval of Trust Indenture. The Indenture between the Authority and U.S. Bank, N.A., 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. 753, is approved for the Series D-2 Bonds. Any one of the Chairman, the Executive Director, the Chief Operating Officer of the San Diego Housing Commission, 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 Series D-2 Bonds shall be as provided in the Indenture as finally executed.

4. Approval of Loan Agreement. The Loan 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. 754, 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 8 hereof.

5. Approval of Intercreditor Agreement. The the Intercreditor Agreement among the Authority, the Trustee and Bank of America, 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. 755, is approved. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to attest, the Intercreditor 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.

6. Authorization to Sell Bonds. The Authority is authorized to sell the Series D-2

Bonds to Boston Capital or an affiliate thereof, including The California Corporate Tax Credit Fund II, A Limited Partnership, The California Corporate Tax Credit Fund III, A Limited Partnership, and The California Tax Credit Fund V, A Limited Partnership, or such other accredited investor as is approved by an Authorized Officer [the Purchaser], pursuant to the terms and conditions of the Indenture including the receipt of a purchaser's letter substantially in a form attached to the Indenture.

7. Approval of Necessary Changes. 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 Intercreditor Agreement, or other document required for the issuance of the Series D-2 Bonds 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.

8. Actions Ratified and Authorized. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the issuance and sale of the Series D-2 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 (including subordination agreements, a construction deed of trust for the Series D-2 Bonds, an assignment of such deed of trust to the Trustee and instructions to the Trustee to authenticate the Series D-2 Bonds and to pay the costs

of issuing the Series D-2 Bonds in accordance with the provisions of the Indenture and an amendment to the Regulatory Agreement and Declaration of Restrictive Covenants executed with respect to the 2001 Bonds), which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Series D-2 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. In the event that the Secretary of the Authority is unavailable to sign any document related to the Series D-2 Bonds, any Deputy Secretary of the Authority may sign on behalf of the Secretary.

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

10. 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 sections, paragraphs or provisions of this resolution.

11. 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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