

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. 1049
ADOPTED ON JUNE 6, 2000

A RESOLUTION AMENDING THE AUTHORITY'S RESOLUTION NO. 1028 RELATING TO THE AUTHORITY'S OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO FINANCE THE ACQUISITION AND REHABILITATION OF THE CANYON RIM (FORMERLY KNOWN AS "PENASQUITOS GARDENS") AND STRATTON APARTMENTS (FORMERLY KNOWN AS "MOUNT AGUILAR APARTMENTS") PROJECTS 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, Fairfield Residential LLC, on behalf of itself and one or more partnerships or limited liability companies to be formed by it (herein called the "Borrower"), has requested the Authority to issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation of two multifamily housing projects as identified in Exhibit A hereto (each a "Project" and, collectively, the "Projects"); and

WHEREAS, the Authority has previously adopted its Resolution No. 1028 on November 9, 1999 declaring its intention to issue the Bonds, up to certain specified amounts, to finance the acquisition and rehabilitation of the Projects; and

WHEREAS, the expected costs of the Projects have increased since the date of adoption of Resolution No. 1028, resulting in a need to issue a greater principal amount of the Bonds than stated in Resolution No. 1028; and

WHEREAS, the Authority desires to amend Resolution No. 1028 to provide for the issuance of a larger principal amount of the Bonds than set forth in Resolution No. 1028; and

WHEREAS, the Authority, in the course of assisting the Borrower in financing the Projects, expects that the Borrower has paid and may pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Projects within the period from the date 60 days prior to the adoption of Resolution No. 1028; 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 Projects with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority through the adoption of Resolution No. 1028 has declared its intention to authorize the issuance of Bonds for the purpose of financing costs of the Projects (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); 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 application; and

WHEREAS, the Projects received an allocation from CDLAC on April 26, 2000 which is less than the expected cost of the acquisition and rehabilitation of the Projects; and

WHEREAS, the Authority desires to apply to CDLAC for additional allocation for the Projects; and

WHEREAS, the Agency desires to amend Resolution No. 1028 for the purposes of acquiring a greater allocation of the state ceiling for private activity bonds and permitting a larger principal amount of tax-exempt bonds to be issued for the Projects; NOW, THEREFORE,

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

Section 1. Finding and Determination. The above recitals, and each of them, are true and correct. The Authority hereby determines that it is currently necessary and desirable to provide financing for the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act in aggregate principal amount not to exceed the amount for each Project as set forth in Exhibit A, subject to authorization of the issuance of the Bonds by resolution of the Authority at a meeting to be held for such purpose. Resolution No. 1028 is hereby amended by deleting the Exhibit A therein and replacing it with the Exhibit A attached to this Resolution. Except as expressly modified by the preceding sentence, Resolution No. 1028 shall remain in full force and effect.

Section 2. Application to CDLAC. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to CDLAC for a supplemental allocation from

the state ceiling of private activity bonds to be issued by the Authority for each Project in an amount such that the sum of the prior allocation and the proposed supplemental allocation for each Project does not exceed the aggregate principal amount as set forth in Exhibit A for each Project, which is above the amount set forth in Resolution No. 1028, and to take any and all other actions as may be necessary or appropriate in connection with such applications, 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 hereby ratified, approved and confirmed.

Section 3. This Resolution shall take effect immediately upon its adoption.

APPROVED: CASEY GWINN, General Counsel

By _____

Theresa C. McAteer
Deputy Counsel

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HA-2000-36 **EXHIBIT A**

DESCRIPTION OF PROJECT

<i>Name</i>	<i>Location</i>	<i>Number of Units</i>	<i>Maximum Bond Amount</i>
Canyon Rim (formerly Penasquitos Gardens)	10931 Gerana Street	504	\$32,440,000
Stratton Apartments (formerly Mount Aguilar Apartments)	5765 Mount Alifan Drive	312	\$20,100,000