

(HA-86-12)

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 00385

ADOPTED ON OCTOBER 28, 1985

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE
AND DELIVERY OF A MORTGAGE REVENUE PROMISSORY
NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED
\$3,500,000 FOR THE PURPOSE OF MAKING A
MORTGAGE LOAN TO PROVIDE FINANCING TO SAN
DIEGO INTERFAITH HOUSING FOUNDATION FOR A
HOUSING PROJECT; AND DETERMINING AND
PRESCRIBING CERTAIN OTHER MATTERS RELATING
THERE TO.

WHEREAS, Chapter 1 of Part 2 of Division 24 of the Health and
Safety Code of the State of California, (as amended to the date
hereof, referred to herein as the "Law") authorizes the Housing
Authority of The City of San Diego (the "Authority") to issue
bonds (including notes or other evidences of indebtedness) to

provide moneys to carry out a program of making mortgage loans available to assist in developing and constructing housing for persons of low and moderate income; and

WHEREAS, The San Diego Interfaith Housing Foundation (the "Owner") has applied to the Authority for a mortgage loan to assist in constructing a housing project in the City of San Diego (the "Project"), and the Board of Commissioners of the Authority (the "Board") has determined so to assist the Owner; and

WHEREAS, in order to provide moneys to make a loan to the Owner (the "Mortgage Loan") to assist in constructing the Project this Board has determined to authorize the issuance of a "Housing Authority of The City of San Diego Mortgage Revenue Promissory Note (Redwood Villas Project)," in a principal amount not to exceed three million five hundred thousand dollars (\$3,500,000) (the "Promissory Note"), and to pledge the revenues from the repayment of the Mortgage Loan to the repayment of the Promissory Note; 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. It is hereby found and determined that it is necessary and desirable for the Authority to provide the Mortgage Loan through the issuance and sale of the Promissory Note in order to assist in constructing

the Project.

Section 2. Authorization of the Promissory Note. To provide moneys with which to make the Mortgage Loan this Board hereby authorizes the issuance of the Promissory Note to The Mitsubishi Bank of California, as Holder, in a principal amount not to exceed three million five hundred thousand dollars (\$3,500,000), bearing interest in the manner and at the rate per annum provided in the Promissory Note, with the stated tax-exempt interest rate not to exceed eleven percent (11%) per annum.

The Promissory Note shall be issued in a denomination not to exceed three million five hundred thousand dollars (\$3,500,000). The Promissory Note shall be dated the date of its delivery and shall mature as provided in the Pledge and Assignment hereinafter described. The Promissory Note shall be registered in the name of the Holder and shall be subject to prepayment at the times and in the manner provided in the Pledge and Assignment. Principal of and interest on the Promissory Note shall be payable in the lawful money of the United States of America at the principal office of the Holder.

The Promissory Note shall be in substantially the form attached to the Pledge and Assignment, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Pledge and Assignment.

The Promissory Note shall be a limited obligation of the Authority and shall be payable as to principal and interest, and the obligations of the Authority under such Pledge and Assignment shall be paid and satisfied solely from the revenues, receipts and other moneys pledged therefor under the Pledge and Assignment.

Section 3. Execution and Delivery of Promissory Note. The Promissory Note shall be executed in the name of the Authority with the manual signature of the Executive Director of the Authority (the "Executive Director") and the seal of the Authority shall be impressed thereon and attested by or on behalf of the Deputy Secretary of the Authority.

Section 4. Approval of Pledge and Assignment. To provide for the details of and to prescribe the terms and conditions upon which the Promissory Note is to be sold, issued, secured, executed, authenticated and held and the loan is to be made and serviced, the Executive Director is hereby authorized to execute and deliver the Pledge and Assignment in substantially the form on file in the office of the Executive Director as Document No. 00378 and presented to this meeting, with such changes as he may approve, upon consultation with the General Counsel to the Authority, his execution thereof to constitute conclusive evidence of his approval of all changes from the form of Pledge

and Assignment presented to this meeting, which form of Pledge and Assignment is hereby in all respects approved and incorporated by reference and made a part hereof.

Section 5. Approval of Agency Agreement. To establish an agency relationship between the Authority and The Mitsubishi Bank of California, as Agent, the Executive Director is hereby authorized to execute and deliver the Agency Agreement in substantially the form on file in the office of the Executive Director as Document No. 00379, and presented to this meeting, with such changes as he may approve, upon consultation with the General Counsel to the Authority, his execution thereof to constitute conclusive evidence of his approval of all changes from the form of Agency Agreement presented to this meeting, which form of Agency Agreement is hereby in all respects approved and incorporated by reference and made a part hereof. Also approved for execution and acceptance by such Agent in substantially the form presented to this meeting are the Mortgage Note, Mortgage and Construction Loan Agreement (as those terms are defined in the Pledge and Assignment).

Section 6. Approval of Regulatory Agreement. To evidence the requirements of the Law with respect to the Promissory Note, the Executive Director is hereby authorized to execute and deliver the Regulatory Agreement, in substantially the form on

file in the office of the Executive Director as Document No. 00380 and presented to this meeting, with such changes as he may approve, upon consultation with the General Counsel to the Authority, his execution thereof to constitute conclusive evidence of his approval of all changes from the form of Regulatory Agreement presented to this meeting, which form of Regulatory Agreement is hereby in all respects approved and incorporated by reference and made a part hereof.

Section 7. Approval of Administration Agreement. The Executive Director is hereby authorized to execute and deliver the Administration Agreement by and between the Authority and the San Diego Housing Commission in substantially the form on file in the office of the Executive Director as Document No. 00381 and presented to this meeting, with such changes therein as he may approve, upon consultation with the General Counsel to the Authority, his execution thereof to constitute conclusive evidence of his approval of all changes from the form of Administration Agreement presented to this meeting, which form of Administration Agreement is in all respects approved and incorporated by reference and made a part hereof.

Section 8. Non-feasibility of Requiring 50% of Median Income Tenants. This Board of Commissioners hereby finds and determines that unless, and except to the extent that, the Project is

supported by the Rental Housing Construction Program of the Department of Housing and Community Development of the State of California, it is not economically feasible to require reservation of half of the units in the Project for occupancy on a priority basis by individuals and families whose adjusted gross income does not exceed 50% of the median gross income for the area, in accordance with Section 34312.3(c)(2) of the Law, and that if such support is available, such reservation will be accomplished by the agreements required under such Program. In making such finding and determination, the Authority has considered (i) the availability of rent subsidies or other financial aid from federal, state, or local government; (ii) the availability to secure density bonuses, reductions in land use requirements, expedited processing, or other procedural incentives from local government; and (iii) the ability to obtain a reduction in rents to the fair market level or below for existing housing pursuant to Section 8 of the United States Housing Act of 1937 or a successor federal program in units to be occupied by very low income households by imposing higher rents in other units.

Section 9. Prior Actions Ratified and Confirmed. The actions of the officers of the Authority in doing any and all acts necessary in connection with the issuance and sale of the

Promissory Note and the making of the Mortgage Loan to the Owner are hereby ratified and confirmed.

Section 10. Further Actions Authorized. The proper officers, agents and employees of the Authority are hereby authorized and empowered to do all such acts and things and to execute and deliver all such documents as may be necessary in connection with the issuance and sale of the Promissory Note and the making of the Mortgage Loan to the Owner, including impressing the seal of the Authority on any document or instrument authorized hereby and attesting the same.

Section 11. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 12. 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.

Section 13. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED: John W. Witt, General Counsel

By

Harold O. Valderhaug

Deputy Counsel

HOV:ps:559

10/16/85

Or.Dept:Hsg.Comm.

HA-86-12

D00378-D00381