

(HA-86-19 REV. 1)
HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. 00392
ADOPTED ON JUNE 9, 1986

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A MORTGAGE REVENUE PROMISSORY NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,500,000 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 THERETO.

WHEREAS, Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (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 Villa Project)," in a principal amount not to exceed two million five hundred thousand dollars (\$2,500,000) (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 two million five hundred thousand dollars (\$2,500,000), bearing interest in the manner and at the rate per annum provided in the Promissory Note, with the stated interest rate not to exceed twelve percent (12%) per annum.

The Promissory Note shall be issued in a denomination not to exceed two million five hundred thousand dollars (\$2,500,000). 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 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") or his authorized representative and the seal of the Authority shall be impressed thereon and attested by the Secretary of the Authority or his authorized representative.

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 or his authorized representative

is hereby authorized and directed to execute and deliver the Pledge and Assignment in substantially the form on file in the office of the Executive Director as Document No. 00401 and presented to this meeting, with such changes as he may approve, his or his authorized representative's 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 City and The Mitsubishi Bank of California, as Agent, the Executive Director or his authorized representative is hereby authorized and directed to execute and deliver the Agency Agreement in substantially the form on file in the office of the Executive Director as Document No. 00402 and presented to this meeting, with such changes as he may approve, his or his authorized representative's 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 or his authorized representative is hereby authorized and directed to execute and deliver the Regulatory Agreement, in substantially the form on file in the office of the Executive Director as Document No. 00403 and presented to this meeting, with such changes as he may approve, his or his authorized representative's 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 or his authorized representative is hereby authorized and directed 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. 00404 and presented to this meeting, with such changes therein as he may approve, his or his authorized representative's 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. Allocation of Volume Cap. To the extent necessary to insure that interest on the Promissory Note is exempt from federal income taxes, this Board hereby allocates to the Promissory Note the Volume Cap (as that term is used in Title VII of H.R. 3838, the Tax Reform Bill of 1985, adopted by the United States House of Representatives on December 17, 1985) in the amount of \$2,500,000 which was transferred to the Authority by the City Council of The City of San Diego pursuant to its resolution dated June 2, 1986, for application to the Promissory Note. It is the intent of the Authority that this allocation of Volume Cap to the Promissory Note be effective on the date of issue of the Promissory Note; and that no additional action of the Authority shall be required in connection with such allocation of Volume Cap.

Section 8. 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 9. Further Actions Authorized. The proper officers, agents and employees of the Authority are hereby authorized, empowered and directed 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 10. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this resolution shall take effect immediately upon its adoption.

Section 11. 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 12. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED: John W. Witt, General Counsel

By

Harold O. Valderhaug
Deputy Counsel
HOV:cc:ps
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