

(HA-86-2)

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 00377

ADOPTED ON SEPTEMBER 16, 1985

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE
AND DELIVERY OF VARIABLE RATE MULTIFAMILY
REVENUE DEMAND BONDS IN A PRINCIPAL AMOUNT NOT
TO EXCEED \$9,000,000 FOR THE PURPOSE OF
PROVIDING FUNDS FOR THE PERMANENT FINANCING OF
THE COST OF DEVELOPING AN APPROXIMATELY
192-UNIT MULTIFAMILY RENTAL PROJECT TO BE
LOCATED AT G STREET AND THIRD AVENUE AND TO BE
KNOWN AS MARKET STREET SQUARE APARTMENTS,
DETERMINING AND PRESCRIBING CERTAIN MATTERS
RELATING THERETO, AND APPROVING AND
AUTHORIZING THE EXECUTION OF RELATED
DOCUMENTS, AGREEMENTS AND ACTIONS.

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") provides a method for the issuance of multifamily mortgage revenue bonds for the purpose of making loans or otherwise providing funds to finance the development of multifamily rental housing; and

WHEREAS, the Housing Authority of The City of San Diego (the "Authority") desires to provide funds to make a loan (the "Mortgage Loan") to Market Street Square, a California limited partnership (the "Owner"), to finance a multifamily rental housing development to be known as Market Street Square Apartments (the "Project") and in order to do so intends to sell and issue not to exceed \$9,000,000 of its Variable Rate Multifamily Revenue Demand Bonds, 1985 Issue (Market Street Square Apartments Project) (the "Bonds"); and

WHEREAS, the Board of Commissioners of the Authority (the "Board of Commissioners") has now determined to provide financing for the Project for the purpose of providing housing for lower income persons or families; and

WHEREAS, there have been prepared and presented to the Board of Commissioners for consideration at this meeting the following instruments:

- (1) The form of Indenture, including the form of Bond;
- (2) The form of Loan Agreement;

- (3) The form of Regulatory Agreement;
- (4) The form of Bond Purchase Agreement;
- (5) The form of Preliminary Official Statement and Official Statement relating to the Bonds; and
- (6) The form of Administration Agreement relating to the Bonds; and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended; and

WHEREAS, E.F. Hutton & Co., Inc. and Newman & Associates, Inc. (the "Underwriters") have expressed their intention to purchase the Bonds, and the Board of Commissioners finds that the public interest and necessity require that the Authority at this time make arrangements for the sale of the Bonds; 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 financing for the Project through the issuance and sale of the Bonds in order to assist in the development of the type of dwelling units to be provided by the Project.

Section 2. Authorization of the Bonds. For the purpose of raising moneys with which to make the Mortgage Loan in order to effectuate the construction and permanent financing of the Project, the Authority hereby determines to issue the Bonds, in a principal amount not to exceed \$9,000,000, said principal amount to be such amount as is necessary to provide funds to make the Mortgage Loan for the Project. The Bonds shall bear interest at a rate or rates producing a net interest cost on the Bonds not to exceed twelve percent (12%) per annum and maturing as provided in the Indenture, but not later than 40 years from the date of issue. The Bonds shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Indenture, which shall be appropriately completed when the Bonds are prepared.

The Bonds shall be limited obligations of the Authority and shall be payable as to principal and interest, and the obligations of the Authority under the Indenture shall be paid and satisfied, solely from the revenues, receipts and other moneys pledged therefor under the Indenture.

Section 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 or Vice Chairman, 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.

Section 4. Approval of Indenture. To provide for the details 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 originated and serviced, the Chairman, the Vice Chairman, the Executive Director and the Secretary or a deputy Secretary, or the designee of any such officer (such officer and any of his or her respective designees are hereinafter referred to as the "Designated Officers") are each hereby authorized to execute and deliver the Indenture, a copy of which is on file in the office of the Executive Director as Document No. 00331, in substantially the form presented to this meeting or 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 Indenture presented to this meeting, which form of Indenture is hereby in all respects approved and incorporated by reference and made a part hereof.

Section 5. Approval of Loan Agreement. To provide for the details of the Mortgage Loan, and the duties and obligations of

Market Street Square, a California limited partnership, as Owner, E.F. Hutton Indemnity Company, as Lending Institution (the "Lender"), the Bank of California, National Association, as Trustee, and the Authority, the Designated Officers are each hereby authorized to execute and deliver the Loan Agreement, a copy of which is on file in the office of the Executive Director as Document No. 00332, in substantially the form presented to this meeting or 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 Loan Agreement presented to this meeting, which form of Loan Agreement is hereby in all respects approved and incorporated by reference and made a part hereof.

Section 6. Approval of Regulatory Agreement. To evidence the requirements of the Law with respect to the Bonds, the Designated Officers are each hereby authorized to execute the Regulatory Agreement, a copy of which is on file in the office of the Executive Director as Document No. 00333, in substantially the form presented to this meeting or 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 hereby in all respects approved and incorporated by reference and made a part hereof.

Section 7. Approval of Bond Purchase Agreement. The form of Bond Purchase Agreement presented to this meeting, a copy of which is on file in the office of the Executive Director as Document No. 00334, is hereby approved in all respects and incorporated herein by reference and made a part hereof, and the Designated Officers are each hereby authorized to execute and deliver to the Underwriters a Bond Purchase Agreement in substantially such form or with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of their approval of all changes from the form of Bond Purchase Agreement presented to this meeting, which form of Bond Purchase Agreement is in all respects approved and incorporated by reference and made a part hereof.

Section 8. Approval of Preliminary Official Statement and Official Statement. The form of Preliminary Official Statement relating to the Bonds, in substantially the form presented to this meeting, a copy of which is on file in the office of the Executive Director as Document No. 00335, is hereby in all

respects approved and incorporated herein by reference and made a part hereof, and the Board of Commissioners hereby ratifies and approves distribution of the Preliminary Official Statement to prospective purchasers of the Bonds. The Designated Officers are each hereby authorized to execute and deliver, at the time of sale of the Bonds, said form of Preliminary Official Statement as the final Official Statement, with such changes therein as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution to constitute conclusive evidence of the approval by such officer of all changes from the form of Official Statement presented to this meeting, which form of Official Statement is in all respects approved and incorporated by reference and made a part hereof.

Section 9. Approval of Administration Agreement. The form of Administration Agreement by and between the Authority and the San Diego Housing Commission, substantially in the form submitted to this meeting, a copy of which is on file in the office of the Executive Director as Document No. 00336, is hereby approved, and the Designated Officers are each hereby authorized to execute and deliver an Administration Agreement in substantially such form or with such changes therein as may be approved by the Designated Officer executing the same, upon consultation with the General

Counsel to the Authority, such execution to constitute conclusive evidence of the approval by such officer 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 10. Actions Ratified and Authorized. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the Designated Officers are each hereby 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 and other documents, including but not limited to those described in the Bond Purchase Agreement, 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 Law and this resolution.

Section 11. Non-feasibility of Requiring 50% of Median Income Tenants. This Board of Commissioners hereby finds and determines that it is not economically feasible to require reservation of ten percent (10%) 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. 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 12. Official Action. It is the purpose and intent of the Authority that this resolution constitute official action toward the issuance of obligations by the Authority in accordance with Section 1.103-8(a)(5)(iii) of the Regulations of the United States Department of the Treasury.

Section 13. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 14. 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 15. Designation of Deputy Secretary. The Executive Secretary to the Executive Director of the Housing Authority is hereby designated as a deputy secretary of the Housing Authority.

Section 16. 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

9/3/85

Or.Dept:Hsg.Comm.

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