

(HA-94-20)
HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. 00669
ADOPTED ON NOVEMBER 30, 1993

A RESOLUTION AUTHORIZING, IN CONCEPT, THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY MORTGAGE REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FUNDS TO REFINANCE THE COST OF THE 250-UNIT MULTIFAMILY RENTAL PROJECT KNOWN AS PASEO POINT APARTMENTS LOCATED AT 10024 PASEO MONTRIL DRIVE.

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, the City of San Diego by Resolution No. R-264331 of the City Council of the City of San Diego (the "City Council") and Resolution No. 00386 of the governing body of the Housing Authority of the City of San Diego (the "Authority") adopted on October 28, 1985, authorized the issuance of Multifamily Housing Revenue Bonds, 1985 Issue M, in an aggregate principal amount not to exceed \$17,300,000 to finance the acquisition and construction of a multifamily rental housing development located in the City of San Diego, California, known as Paseo Point Apartments Project (the "Project"); and

WHEREAS, the Authority has heretofore issued its Multifamily Housing Revenue Bonds, 1985 Issue M, in the principal amount of \$17,100,000 (the "Prior Bonds") and has applied a portion of the proceeds derived from the sale thereof to make a loan (the "Developer Loan") to Vista Court Ltd., a California limited partnership (the "Developer"); and

WHEREAS, the Authority by Resolution No. 00507 adopted on June 26, 1990, authorized certain amendments to documents relating to the Prior Bonds, including reduction in the principal amount of the Prior Bonds to \$15,702,000; and

WHEREAS, the Authority has been advised that the Developer has defaulted on its payment obligations under the Developer Loan and related documents (collectively, the "Default"); and

WHEREAS, as a consequence of the Default, the Union Bank, acting on behalf of the Bank of Tokyo, the credit instrument obligor under the

Bonds, (the "Bank") filed an action in the Superior Court of the State of California for the County of San Diego to foreclose the related deed of trust and recorded a Notice of Default and Election to Sell Under Deed of Trust, as Document No. 93-0518222 in the office of the San Diego County Recorder (the "Foreclosure Proceedings"); and

WHEREAS, the likely result of the Foreclosure Proceedings against the Project would be to cause the loss of the lower income units in the Project which are currently benefiting lower income tenants residing in the Project; and

WHEREAS, the Board of Commissioners of the Authority (the "Board of Commissioners") has determined to approve, in concept, the issuance of its Multifamily Housing Revenue Refunding Bonds (Paseo Point Apartments Project) in an aggregate principal amount not to exceed \$15,700,000 (the "Bonds") to assist in the refinancing of the Project for the purpose of maintaining the type of dwelling units provided by the Project; and

WHEREAS, there will be prepared and presented to the Board of Commissioners for consideration at their future meeting the necessary documents, agreements and instruments to be executed and delivered for the purposes intended; and

WHEREAS, PaineWebber Incorporated and Artemis Capital Group have been selected as bond underwriters; Orrick, Herrington & Sutcliffe and Nelson & Williams as bond counsel; and Litten Financial Consulting and Kosmont & Associates, Inc. as financial advisors for the issuance of 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 approve, in concept, the refinancing of the Project through the issuance and sale of the Bonds in order to assist in the continued use and maintenance of the type of dwelling units provided by the Project.

Section 2. Authorization of the Bonds. Upon preparation and presentation of the necessary documents, agreements and instruments to be executed and delivered in order to effectuate the refinancing of the Project, the Board of Commissioners will consider at a future meeting the approval of such documents, agreements and instruments, including the terms and conditions of the Bonds and the related actions.

Section 3. Approval of the Financing Team Members. The Board of Commissioners hereby approves PaineWebber Incorporated and Artemis Capital Group as bond underwriters; Orrick, Herrington & Sutcliffe and Nelson & Williams as bond counsel; and Litten Financial Consulting and Kosmont & Associates, Inc. as financial advisors for the issuance of Bonds.

Section 4. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED: JOHN W. WITT, General Counsel

By Harold O. Valderhaug

Chief Deputy Counsel

HOV:ps

11/30/93

Or.Dept:Hsg.Comm.

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