

(HA-95-33)  
HOUSING AUTHORITY OF  
THE CITY OF SAN DIEGO  
RESOLUTION NO. 00756  
ADOPTED ON MARCH 21, 1995

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF REVENUE REFUNDING BONDS FOR THE PURPOSE OF REFUNDING THE HOUSING AUTHORITY'S MULTIFAMILY HOUSING REVENUE BONDS, 1985 ISSUE H (FANNIE MAE PROGRAM - HILLSIDE PROJECTS), AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, FINANCING AGREEMENT, AMENDED AND RESTATED REGULATORY AGREEMENT, OFFICIAL STATEMENT, AND BOND PURCHASE AGREEMENT, AND AUTHORIZING THE EXECUTION AND DELIVERY OF AND APPROVING OTHER RELATED DOCUMENTS AND APPROVING OTHER RELATED ACTIONS IN CONNECTION THEREWITH.

WHEREAS, Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53580 (the "Act"), authorizes local agencies to incur indebtedness for the purpose of refunding any revenue bonds of the local agency, and the Act provides a complete, additional and alternative method for such financing; and

WHEREAS, the Housing Authority of The City of San Diego (the "Authority") previously issued its Multifamily Housing Revenue Bonds, 1985 Issue H (Fannie Mae Program - Hillside Projects) (the "1985 Bonds") and loaned the proceeds thereof to Hillside 104 ("Hillside 104"), a California limited partnership, and Hillside 276 ("Hillside 276"), a California limited partnership (collectively, the "Original Owner"), for the purpose of financing the construction and development of a multifamily rental housing development commonly known as Hillside Gardens Apartments, including the rehabilitation of 300 existing units and the construction of 80 new units (the "Project"), located at 5802 University Avenue in the City of San Diego (the "City"); and

WHEREAS, as a consequence of a default by the Original Owner on the mortgage loans with respect to the Project, the 1985 Bonds will be paid

in full with the proceeds of a new mortgage loan to be made by Arcs Mortgage, Inc. (the "Lender") to Hillside 380, a California general partnership, the successor in interest to the Original Owner (the "Owner"); and

WHEREAS, the Owner has requested that the Authority issue and sell the Bonds (hereinafter defined) to provide funds for the new mortgage loan to be made to the Owner by the Lender and thereby refinance the Project; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended, (the "Code") requires that the "applicable elected representatives" with respect to an issuer of revenue bonds, the proceeds of which will be used to refinance a multifamily housing residential facility, approve the issuance of such bonds following a public hearing for which reasonable public notice was given; and

WHEREAS, a notice of public hearing with respect to issuance of the Bonds was published in a newspaper of general circulation in the City; and

WHEREAS, on March 21, 1995, a public hearing was held before the Housing Authority with respect to the Bonds and the opportunity was provided for interested parties to present arguments for and against the Bonds; and

WHEREAS, the Authority hereby finds and declares that it is necessary, essential and a public purpose for the Authority to engage in a program (the "Program") of refunding certain revenue bonds of the Authority issued to finance the construction and development of multifamily rental housing, and has determined to borrow money for such purpose by issuing the Bonds; and

WHEREAS, the Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds and the implementation of the Program as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act; NOW, THEREFORE,

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

Section 1. The Authority hereby finds and declares that the above recitals are true and correct.

Section 2. Pursuant to the Act and the Indenture (hereinafter defined), revenue refunding bonds of the Authority, designated as "Housing Authority of The City of San Diego Multifamily Housing Revenue Refunding Bonds (Hillside Gardens Apartments), 1995 Issue A, in an aggregate principal amount not to exceed \$17,000,000, (the "Bonds"), are hereby authorized to be issued. The Bonds shall be executed by the

manual or facsimile signature of the Chairperson or Executive Director of the Authority, and the seal or facsimile of the seal of the Authority shall be reproduced thereon and attested by the manual or facsimile signature of the Secretary of the Authority, or any deputy thereof, in the form set forth in and otherwise in accordance with the Indenture (as hereinafter defined).

Section 3. The trust indenture (the "Indenture") between the Authority and Seattle-First National Bank, as trustee (the "Trustee") in the form presented to this meeting, is hereby approved. The Chairperson and the Executive Director of the Authority, or any authorized deputy thereof (the "Designated Officers") are, and each of them acting alone is, hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver the Indenture, and the Secretary or any authorized deputy thereof is hereby authorized, for and in the name and on behalf of the Authority, to attest the Designated Officer's signature on the Indenture and to impress the Authority's seal thereon, in substantially said form, with such additions thereto or changes therein as are recommended or approved by the Executive Director upon consultation with bond counsel to the Authority, including such additions or changes as are necessary or advisable in accordance with Section 9 hereof (provided that no additions or changes shall authorize an aggregate principal amount of Bonds in excess of \$17,000,000, or result in an initial true interest cost on the Bonds in excess of eight percent (8%) per annum or result in an underwriter's discount or fee in excess of two percent (2%) of the aggregate principal amount of the Bonds), the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Authority of the Indenture. The date, maturity dates, interest rate or rates, interest payment dates, denominations, form, registration provisions, manner of execution, place of payment, terms of redemption, and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 4. A Financing Agreement (the "Financing Agreement") among the Trustee, the Authority, the Lender and the Owner, in the form presented to this meeting, is hereby approved. The Designated Officers of the Authority are, and each of them acting alone is, hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver the Financing Agreement in said form, with such additions thereto or changes therein as are recommended or approved by such officers upon consultation with bond counsel to the Authority including such additions or changes as are necessary or advisable in accordance with Section 9 hereof, the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Authority of the Financing Agreement.

Section 5. An Amended and Restated Regulatory Agreement with respect to the Project, (the "Regulatory Agreement") among the Authority, the Owner and the Trustee, in the form presented to this

meeting, is hereby approved. The Designated Officers of the Authority are, and each of them acting alone is, hereby authorized, for and in the name of and on behalf of the Authority, to execute and deliver the Regulatory Agreement in said form, with such additions thereto or changes therein as are recommended or approved by such officers upon consultation with bond counsel to the Authority including such additions or changes as are necessary or advisable in accordance with Section 9 hereof, the approval of such changes to be conclusively evidenced by the execution and delivery by the Authority of such Agreement.

Section 6. The bond purchase agreement (the "Purchase Contract") among the Authority, the Borrower and Newman and Associates, Inc., on behalf of itself and Smith Mitchell Investment Group, or any successors thereto (collectively, the "Underwriter"), in the form presented to this meeting, is hereby approved. The Designated Officers of the Authority are, and each of them acting alone is, hereby authorized, for and in the name and on behalf of the Authority, to accept the offer of the Underwriter to purchase the Bonds contained in the Purchase Contract (when such offer is made and if such offer is consistent with Section 3 hereof) and to execute and deliver said Purchase Contract in said form, with such additions thereto or changes therein as are recommended or approved by such officers upon consultation with bond counsel to the Authority, the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Authority of the Purchase Contract.

Section 7. The preliminary official statement relating to the Bonds (the "Preliminary Official Statement"), in the form presented to this meeting, is hereby approved. The Designated Officers are, and each of them acting alone is, hereby authorized, for and in the name and on behalf of the Authority, to bring to final form the Preliminary Official Statement (the "Official Statement") upon sale of the Bonds and to execute the Official Statement in said form, with such addition thereto or changes therein as are recommended or approved by such officers upon consultation with bond counsel to the Authority, the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Authority of the Official Statement. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and are directed to deliver copies of the Official Statement to all actual purchasers of the Bonds.

Section 8. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the Authority by one of the Designated Officers, which instructions

such officers are, and each of them is, hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriter in accordance with the Purchase Contract, upon payment of the purchase price therefor.

Section 9. All actions heretofore taken by the officers and agents of the Authority with respect to the financing contemplated by this Resolution, the Program and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority, including the Designated Officers, are 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 which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution and resolutions heretofore adopted by the Authority and in order to carry out the proposed financing and the Program, including but not limited to those certificates, agreements and other documents described in the Indenture, the Financing Agreement, the Regulatory Agreement, the Bond Purchase Agreement and the other documents herein approved and any certificates, agreements or documents as may be necessary to further the purpose hereof, evidence credit support or additional security for the Bonds, or evidence the obligation to purchase Bonds upon tender by the Bondholders, but which shall not create any obligation or liability of the Authority other than with respect to the revenues and assets derived from the proceeds of the Bonds.

Section 10. This resolution shall take effect immediately upon its adoption.

APPROVED: JOHN W. WITT, General Counsel

By

Harold O. Valderhaug  
Chief Deputy Counsel

HOV:ps

03/15/95

Or.Dept:Hsg.Comm.

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