

(HA-96-56)

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 00851

ADOPTED ON MAY 28, 1996

WHEREAS, the Housing Authority of The City of San Diego (the "Authority") is authorized pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act") to finance the construction of multifamily rental housing through the issuance of tax-exempt bonds; and

WHEREAS, the Authority has heretofore issued, sold and delivered pursuant to an Amended and Restated Indenture of Trust, dated as of July 1, 1986 (as amended and supplemented, the "Issue K Indenture"), by and between the Authority and Security Pacific National Bank, as succeeded by Bank of America National Trust and Savings Association and, subsequently, First Trust of California, National Association, as trustee (the "Issue K Trustee"), its Multifamily Housing Revenue Bonds, 1985 Issue K (La Cima Apartments) in the aggregate principal amount of \$43,640,000 (the "Issue K Bonds") to finance La Cima Apartments located at 7503 Charmant Drive, and issued, sold and delivered pursuant to an Amended and Restated Indenture of Trust, dated as of July 1, 1986 (as amended and supplemented, the "Issue L Indenture"), by and between the Authority and Security Pacific National Bank, as succeeded by Bank of America National Trust and Savings Association and, subsequently, First Trust of California, National Association, as trustee (the "Issue L Trustee"), its Multifamily Housing Revenue Bonds, 1985 Issue L (Nobel Court Apartments) in the aggregate principal amount of \$51,500,000 (the "Issue L Bonds") to finance Nobel Court Apartments located at

8895 Caminito Plaza Centro, all under and in accordance with the Constitution and the laws of the State of California; and

WHEREAS, the Authority heretofore made a loan of the proceeds of the Issue K Bonds to La Cima Ltd., a California Limited Partnership (the "Issue K Developer"), pursuant to a Loan Agreement, dated as of December 1, 1985 (as amended and supplemented, the "Issue K Loan Agreement"), by and among the Authority, the Issue K Trustee and the Issue K Developer, and made a loan of the proceeds of the Issue L Bonds to Nobel Court Ltd., a California Limited Partnership (the "Issue L Developer"), pursuant to a Loan Agreement dated as of December 1, 1985 (as amended and supplemented, the "Issue L Loan Agreement"), by and among the Authority, the Issue L Trustee and the Issue L Developer; and

WHEREAS, in connection with the issuance of the Issue K Bonds and the loan of the proceeds thereof to the Issue K Developer, the Authority, the Issue K Trustee, and the Issue K Developer entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of December 1, 1985 (as amended, the "Issue K Regulatory Agreement"), and in connection with the issuance of the Issue L Bonds and the loan of the proceeds thereof to the Issue L Developer, the Authority, the Issue L Trustee and the Issue L Developer entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of December Y. 1985 (as amended, the "Issue L Regulatory Agreement"), pursuant to which La Cima Apartments and Nobel Court Apartments, respectively, were restricted in certain respects in order to ensure that they would comply with the requirements of federal tax law; and

WHEREAS, the Issue K Developer and the Issue L Developer, for the purpose of advancing the economic viability of La Cima Apartments and Nobel Court Apartments, respectively, have requested that the Authority enter into additional supplemental indentures to the Issue K Indenture and the Issue L Indenture and amendments to the Issue K Loan Agreement and the Issue L Loan Agreement, respectively, to allow (i) extension of the existing letters of credit securing the Issue K Bonds and Issue L Bonds, respectively, or, in the alternative, substitute letters of credit or alternate credit facilities to secure payment of the principal and purchase price of and interest on the Issue K Bonds and Issue L Bonds, respectively, and (ii) in connection with providing for such extension or substitution, purchase of Issue K Bonds and Issue L Bonds that would otherwise be subject to redemption, which amendment has been requested by the existing credit support providers for the purpose of reducing their guarantee exposure with respect to the existing letters of credit

and assisting the Issue K Developer and the Issue L Developer with obtaining substitute letters of credit or alternate credit facilities in the future; and

WHEREAS, in consideration of the proposed amendments, the Issue K Developer and the Issue L Developer have agreed to revise the Issue K Regulatory Agreement and the Issue L Regulatory Agreement, respectively, for the purpose of extending the Qualified Project Period (as defined in the Issue K Regulatory Agreement and the Issue L Regulatory Agreement) to require occupancy by Lower-Income Tenants (as defined in the Issue K Regulatory Agreement and the Issue L Regulatory Agreement) of at least 20 percent of the units in La Cima Apartments and Nobel Court Apartments, respectively, for an additional five years, until October 28, 2003 with respect to La Cima Apartments and March 21, 2003 with respect to Nobel Court Apartments; NOW, THEREFORE,

BE IT RESOLVED, by the Authority, as follows:

1. The Second Supplemental Indenture to Amended and Restated Indenture of Trust relating to the Issue K Indenture, the Third Amendment to Loan Agreement relating to the Issue K Loan Agreement, and the Second Amendment to Regulatory Agreement and Declaration of Restrictive Covenants relating to the Issue K Regulatory Agreement (collectively, the "Issue K Amendments"), all in the forms on file with the Authority, are hereby approved, and the Chairperson of the Authority, the City Manager of the City of San Diego, the Executive Director of the Authority or any authorized deputy thereof is hereby authorized to execute the Issue K Amendments in substantially said forms, with such additions thereto or changes therein as are recommended or approved by the Executive Director, upon consultation with bond counsel and co-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 Issue K Amendments, and the Secretary of the Authority or any authorized deputy thereof is authorized to attest said Issue K Amendments and to impress the Authority's seal thereon.

2. The Second Supplemental Indenture to Amended and Restated Indenture of Trust relating to the Issue L Indenture, the Third Amendment to Loan Agreement relating to the Issue L Loan Agreement, and the Second Amendment to Regulatory Agreement and Declaration of Restrictive Covenants relating to the Issue L Regulatory Agreement (collectively, the "Issue L Amendments"), all in the forms on file with the Authority, are hereby approved, and the Chairperson of the Authority, the City Manager, the Executive Director of the Authority or any authorized deputy thereof is hereby authorized to execute the Issue L Amendments 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 and co-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 Issue L Amendments, and the Secretary of the Authority or any authorized deputy thereof is authorized to attest said Issue L Amendments and to impress the Authority's seal thereon.

3. The Chairperson of the Authority, the City Manager, the Executive Director of the Authority, the Secretary of the Authority and any authorized deputy thereof are hereby authorized, for and in the name of and on behalf of the Authority, to execute and attest, as the case may be, and to deliver additional amendments and supplements to the Issue K Indenture, Issue K Loan Agreement, Issue K Regulatory Agreement, Issue L Indenture, Issue L Loan Agreement, and Issue L Regulatory Agreement pursuant to the provisions thereof as may be determined by the staff of the Authority to be ministerial in nature and without material affect to the Authority, the Issue K Bonds, Issue L Bonds or the owners thereof, as applicable, including, but not limited to, additional amendments and supplements which provide additional security for the Bonds in the form of confirming letters of credit or Alternate Credit Facilities (as defined in the Issue K Indenture and Issue L Indenture) securing payment under existing Letters of Credit (as defined in the Issue K Indenture and the Issue L Indenture) or Alternate Credit Facilities, upon receipt by the staff of an opinion of the financial advisor to the Authority that any such amendment or supplement has no adverse financial impact on the Authority and, to the extent any such amendment is made without the Consent of the applicable owners of the Issue K Bonds, and/or Issue L Bonds, does not adversely affect the security for such Bonds, and an opinion of bond counsel to the Authority that any such amendment or supplement is permitted pursuant to the provisions of the respective Indenture, Regulatory Agreement and/or Loan Agreement and, to the extent any such amendment is made without the consent of the applicable owners of the Issue K Bonds and/or Issue L Bonds, does not adversely affect the interests of the owners of the respective Bonds.

4. The Chairperson of the Authority, the City Manager, the Executive Director of the Authority and any authorized deputy thereof are hereby authorized, for and in the name of and on behalf of the Authority, to take any and all actions and execute any and all documents which they, or any of them, deem necessary or advisable in order to consummate the transactions contemplated

by this resolution.

5. This resolution shall take effect immediately.

APPROVED: JOHN W. WITT, General Counsel

By

Harold O. Valderhaug
Chief General Counsel

HOV:cdk
05/09/96
Or.Dept:Hsg.Auth.
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