

(HA-96-57)

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 00847

ADOPTED ON MAY 28, 1996

A RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE REFUNDING BONDS ("BONDS") IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,600,000 FOR THE PURPOSE OF REFUNDING BONDS PREVIOUSLY ISSUED TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT; APPROVING AND AUTHORIZING THE EXECUTION OF A TRUST INDENTURE PROVIDING THE TERMS AND CONDITIONS OF THE BONDS; AUTHORIZING THE SALE OF THE BONDS; APPROVING AND AUTHORIZING THE EXECUTION OF THE BOND PURCHASE CONTRACT PROVIDING THE TERMS AND CONDITIONS FOR THE SALE OF THE BONDS; APPROVING AND AUTHORIZING THE EXECUTION OF A FINANCING AGREEMENT PROVIDING THE TERMS AND CONDITIONS FOR THE LOAN OF THE BOND PROCEEDS TO THE BORROWER NAMED THEREIN; APPROVING AND AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO REGULATORY AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY DOCUMENT NECESSARY TO IMPLEMENT THIS RESOLUTION; RATIFYING AND APPROVING ANY ACTION HERETOFORE TAKEN IN CONNECTION WITH THE BONDS AND THE REFUNDING OF THE PRIOR BONDS; AND RELATED MATTERS.

WHEREAS, the Housing Authority of the City of San Diego (the "Authority") has heretofore determined to engage in a program of financing the construction of a multifamily rental housing development (the "Program") known as Market Street Square Apartments (the "Project"), and in order to do so issued \$8,600,000 of its Variable Rate Multifamily Revenue Demand Bonds (Market Street Square Apartments Project), 1985 Series G (the "Prior Bonds"), and made a loan of the proceeds thereof to Market Street Square, a California Limited Partnership (the "Borrower"), pursuant to Division 24 of Part 2 of Chapter 1 of the California Health and Safety Code (the "Housing Law") and that certain Indenture, dated as of November 1, 1985, between the Authority and Bank of America State Trust Company, as successor trustee thereunder (the "Prior Indenture"); and

WHEREAS, the Borrower has requested that the Prior Bonds be redeemed in accordance with the Prior Indenture, and that the Authority issue its refunding bonds in order to accomplish such redemption; and

WHEREAS, the Board of Commissioners of the Authority (the "Board") desires to assist the Borrower and preserve the availability of the units in the Project for low and moderate income persons or families, and in order to accomplish such purposes it is desirable for the Authority to provide for the refunding of the Prior Bonds and provide refinancing for the Project; and

WHEREAS, Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law"), provides a complete, additional and alternative method for such refunding;

WHEREAS, there has been prepared and presented to the Board for consideration at this meeting the forms of the following documents:

- (1) an Indenture of Trust;
- (2) a Bond Purchase Contract;
- (3) a Financing Agreement;
- (4) a First Amendment to Regulatory Agreement; and
- (5) a Preliminary Official Statement; and

WHEREAS, it appears that each of the foregoing documents is substantially in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended; and

WHEREAS, Newman and Associates, Inc. (the "Underwriter") has expressed its intention to purchase the refunding bonds authorized hereby, and the Board finds that the public interest and necessity require that the Authority at this time make arrangements for the sale of such refunding bonds; and

WHEREAS, the Federal National Mortgage Association ("FNMA") has agreed, subject to the satisfaction of certain conditions, to facilitate the refinancing of the Project by issuing a Guaranteed Mortgage Pass-through Certificate, which, together with investment earnings on funds held by the trustee, will secure payment of principal; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AS FOLLOWS:

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

Section 2. Authorization to Issue Bonds. In accordance with the Housing Law and pursuant to the Refunding Law and the Indenture (hereinafter defined), the Authority is hereby authorized to issue revenue refunding bonds of the Authority, such bonds to be designated as "Housing Authority of the City of San Diego Multifamily Housing Revenue Refunding Bonds (Market Street Square Apartments Project)," and having an appropriate series designation, in an aggregate principal amount not to exceed \$8,600,000 (the "Bonds"), with an initial interest rate and a final maturity date as provided in the Indenture as finally executed. The Bonds shall be in the form set forth in and otherwise in accordance with the Indenture, and shall be executed by the manual or facsimile signature of the Executive Director of the Authority and the manual or facsimile seal of the Authority shall be impressed or reproduced thereon and attested by the manual or facsimile signature of the Secretary of the Authority.

Section 3. Approval of the Indenture of Trust. The Indenture of Trust (the "Indenture"), between the Authority and First Trust of California, National Association (the "Trustee"), in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No.00634, is hereby approved and the Trustee is hereby appointed as trustee thereunder. Any Authorized Officer (as defined in the Indenture) of the Authority is hereby authorized to execute, and the Secretary of the Authority is hereby authorized to affix and attest the seal of the Authority on, the Indenture in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 9 hereof. The

date, maturity dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, 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. Approval of Purchase Contract. The Authority is hereby authorized to sell the Bonds to the Underwriter pursuant to the terms and conditions of the bond purchase contract (the "Purchase Contract"), between the Authority, the Borrower, and the Underwriter, in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 00635, and such Purchase Contract is hereby approved. Any Authorized Officer is hereby authorized to execute, and the Secretary of the Authority is hereby authorized to affix and attest the seal of the Authority on, the Purchase Contract, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 9 hereof.

Section 5. Approval of Financing Agreement. The form of Financing Agreement (the "Financing Agreement"), among the Authority, the Lender, the Trustee, and the Borrower, in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 00636, is hereby approved. Any Authorized Officer is hereby authorized to execute, and the Secretary of the Authority is hereby authorized to affix and attest the seal of the Authority on, the Financing Agreement, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 9 hereof.

Section 6. Approval of First Amendment to Regulatory Agreement. The form of First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement Amendment"), among the Authority, the Trustee and the Borrower, in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 00637, is hereby approved. Any Authorized Officer is hereby authorized to execute, and the Secretary of the Authority is hereby authorized to affix and attest the seal of the Authority on, the Regulatory Agreement Amendment, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 9 hereof.

Section 7. Approval of Preliminary Official Statement. The form of preliminary official statement relating to the Bonds

(the "Preliminary Official Statement"), to be used in connection with the offer and sale of the Bonds, in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 00638, is hereby approved, and the Board hereby ratifies and approves distribution of the Preliminary Official Statement to prospective purchasers of the Bonds. Any Authorized Officer is hereby authorized to execute, at the time of sale of the Bonds, said form of Preliminary Official Statement as the final Official Statement (the "Official Statement"), with such additions thereto or changes therein as such Authorized Officer may approve or recommend in accordance with Section 9 hereof.

Section 8. Further Actions. Any Authorized Officer executing a document approved herein, in consultation with General Counsel to the Authority and Bond Counsel, is hereby authorized to approve and make such modifications, changes or additions to the Indenture, the Financing Agreement, the Purchase Contract, the Preliminary Official Statement, the First Amendment to Regulatory Agreement as may be necessary or advisable, and the approval of any modification, addition, or change, to any of the aforementioned agreements shall be evidenced conclusively by the execution and delivery of the document in question. Further, any Authorized Officer, acting alone, is authorized to execute a continuing disclosure agreement, an escrow agreement, any assignment agreement related to any mortgage note, mortgage, deed of trust or other related document, required to carry out the intent of this resolution and as contemplated by the proposed refinancing transaction.

Section 9. 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 proper officers of the Authority are hereby authorized and directed, 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 documents described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Board.

Section 10. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the

extent of such conflict, hereby repealed.

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 sections, paragraphs or provisions of this resolution.

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

APPROVED: JOHN W. WITT, General Counsel

By

Harold O. Valderhaug
Chief General Counsel

HOV:cdk

05/09/96

Or.Dept:Hsg.Auth.

R-96-57