

(HA-98-33)

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 00946

ADOPTED ON APRIL 7, 1998

A RESOLUTION 1) CONCERNING THE ISSUANCE OF REVENUE OBLIGATIONS FOR MULTIFAMILY HOUSING DEVELOPMENTS; AND 2) AUTHORIZING THE APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR ALLOCATION OF PRIVATE ACTIVITY BOND ISSUING AUTHORITY FOR MULTIFAMILY HOUSING DEVELOPMENTS.

WHEREAS, the Housing Authority of The City of San Diego (the "Authority") is authorized by state law to issue revenue obligations for the purpose of financing multifamily rental housing developments; and

WHEREAS, the developers listed on Exhibit A hereto intend to develop, by themselves or through partnerships or other legal entities to be formed by them or by their principals (the "Developers"), the multifamily rental housing developments identified in said Exhibit A (the "Developments"); and

WHEREAS, the Developers expect to make certain expenditures (the "Reimbursement Expenditures") in connection with the Developments prior to the issuance of the revenue obligations for the Developments; and

WHEREAS, the Authority reasonably expects that tax-exempt revenue obligations will be issued and that certain of the

proceeds of such revenue obligations will be used to reimburse the Developers for the Reimbursement Expenditures; and

WHEREAS, the Developments will be of benefit to the Authority and the residents of its jurisdiction; and

WHEREAS, as an inducement to the Developers to carry out the Developments, the Authority intends to authorize the issuance of revenue obligations for the Developments in the approximate principal amounts for the Developments specified in Exhibit A hereto; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of private activity bonds (including multifamily housing revenue bonds) that may be issued in any calendar year by entities within a state and authorizes the legislature of such state to provide the method of allocation within the state; and

WHEREAS, Sections 8869.80 et seq. of the Government Code of the State of California (the "Act") governs the allocation among governmental units in the State having the authority to issue private activity bonds; and

WHEREAS, Section 50191 of the Act requires a local agency to file an application with the California Debt Limit Allocation Committee prior to the issuance of the multifamily housing revenue bonds; NOW, THEREFORE,

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

1. Subject to the completion of the necessary legal proceedings and other matters relating thereto to the full satisfaction of this Board of Commissioners (the "Board"), the Board declares its intention to provide financial assistance to the Developers or their successors or assigns, or such other persons or entities as may be designated by the Board, through the issuance of revenue obligations in a principal amount for the Developments not to exceed the amounts for such Developments set forth in Exhibit A hereto, for the purpose of providing financing for the Developments. The Developments are to be located at the sites and are to consist of approximately the number of units set forth in said Exhibit A. The Developments shall meet any applicable federal requirement for tax exemption of interest on the obligations.

The revenue obligations shall be payable solely from the revenues to be received by the Authority pursuant to loan or other agreements to be entered into by the Authority and the Developers in connection with the financing of the Developments, and shall not be deemed to constitute a debt or liability of the Authority or of The City of San Diego under any constitutional, charter or statutory debt limitation.

Neither the faith and credit nor the taxing power of the City or the Authority shall be pledged to the payment of the principal of or interest on the revenue obligations.

2. It is understood that the availability of such financial assistance is a substantial inducement to the Developers to undertake the Developments in a manner desired by the Authority.

3. The appropriate officers of the Authority are authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable, provided that all requisite governmental approvals must have been obtained and the terms and conditions under which the revenue obligations are to be issued must have been approved by the Board in the manner provided by law prior to the sale of the revenue obligations.

4. The Executive Director of the San Diego Housing Commission (the "Commission") is authorized, on behalf of the Authority, to submit an application, the form of which will be upon its completion on file in the office of the Commission as Document No. RR-00946, to the California Debt Limit Allocation Committee (the "Committee") for an allocation of bond issuing authority with respect to the intended issuance by the Authority of revenue obligations to finance the Developments in an amount not to exceed the amount necessary, or the maximum amount allowed by the State, if the allocation is required for such issuance.

5. That funds to be received from the Developers in the amount of .5% of the requested multifamily housing bond allocation (not to exceed \$100,000) be deposited with the State and .025% of the amount granted and used be paid to the State as the application fee, and that the Executive Director, on behalf of the Authority, certify that both such funds will be available in connection with the application in the form required by the Committee.

6. It is intended that this resolution shall constitute a declaration of the official intent of the Authority to use the proceeds of the revenue obligations to reimburse the Developers for qualifying Reimbursement Expenditures in compliance with the requirements of Section 1.150-2 of the Treasury Regulations.

7. Nothing herein contained shall be deemed to create any liability on the part of the Authority if the Authority, in its sole discretion, determines at any time and for any reason not to issue revenue obligations to finance the Developments.

8. This resolution shall take effect immediately upon its passage and adoption.

APPROVED: CASEY GWINN, General Counsel

By
Prescilla Dugard
Deputy Counsel

PD:cdk
03/20/98
Or.Dept:Hsg.Comm.
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