

(O-83-205)

ORDINANCE NUMBER O- 15946 (New Series)

Adopted on APR 18 1983

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOTES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000 AND BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 FOR THE PURPOSE OF MAKING A MORTGAGE LOAN TO PROVIDE THE INTERIM AND PERMANENT FINANCING OF THE COSTS OF DEVELOPING A LOW-INCOME HOUSING PROJECT KNOWN AS UNIVERSITY CANYON NORTH, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, by Ordinance No. O-15746 (New Series), adopted on May 3, 1982, the City Council of The City of San Diego (the "City Council") has adopted The City of San Diego Multi-Family Residential Mortgage Revenue Bond Law (as amended to the date hereof, referred to herein as the "Law") in order to establish a procedure for the authorization, issuance and sale of multi-family mortgage revenue bonds by The City of San Diego (the "City") for the purpose of making loans or otherwise providing funds to finance the development of affordable multi-family rental housing in order to meet a substantial housing need identified in the community; and

WHEREAS, pursuant to the provisions of Section 8 of the United States Housing Act of 1937, as amended, the San Diego Housing Commission (the "Owner"), has applied to HUD for approval of the Owner's proposal for the development, in The City of San Diego, California, of a 120-unit housing project designed for persons of low-income and known as University Canyon North and as HUD Section 8 Project Number CA16-8023-078

(the "Project"); and

WHEREAS, the Owner has requested the City to assist in the financing of the Project and thereby help relieve the serious shortage of decent, safe and sanitary housing for persons of low-income in The City of San Diego, California, at rentals which such persons can afford; and

WHEREAS, the City Council has now determined to provide financing for such Project for the purpose of providing housing for low-income persons or families; and

WHEREAS, in order to obtain moneys with which to assist the Owner in the financing of the Project, the City proposes to issue and sell Notes in a principal amount not to exceed \$4,500,000 (the "Notes"), and Bonds in a principal amount not to exceed \$5,000,000 (the "Bonds"), to be issued under and secured by an indenture (the "Indenture"), between the City and Security Pacific National Bank, as trustee (the "Trustee"); and

WHEREAS, under the Indenture the proceeds of the Notes will be advanced by the Trustee to the extent required to fund advances to be made to the Owner to finance the Project, which advances shall be insured by the United States Department of Housing and Urban Development, acting through the Federal Housing Administration, pursuant to the provisions of Section 221(d)(4) of the National Housing Act of 1934, as amended; and

WHEREAS, there have been prepared and presented to the City Council for consideration at this meeting the following instruments:

- (1) The form of Indenture, including the form of Note and the form of Bond;

- (2) The form of Mortgage Servicing Agreement;
- (3) The form of Bond and Note Purchase Agreement; and
- (4) The form of Official Statement relating to the Notes and the Bonds; and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended; and

WHEREAS, Goldman, Sachs & Co., Newman and Associates, Inc., and Lehman Brothers Kuhn Loeb Incorporated (the "Underwriters") have expressed their intention to purchase the Bonds, and the City Council finds that the public interest and necessity require that the City at this time make arrangements for the sale of the Bonds; NOW, THEREFORE,

BE IT ORDAINED by the Council 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 City to provide the financing for the Project through the issuance and sale of the Notes and the Bonds in order to assist in the development of the type of dwelling units to be provided by the Project.

Section 2. Authorization of the Notes. For the purpose of raising moneys with which to effectuate the construction financing of the Project, the City hereby determines to issue its Notes, in a principal amount not to exceed \$4,500,000, said principal amount to be such amount as is necessary to make the mortgage loan in the amount approved by HUD and the Federal

Housing Administration, bearing interest at such rate, not to exceed ten percent (10%) per annum, as may be approved by HUD, and maturing as provided in the Indenture, but not later than 30 months from the date of issue. The Notes shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Indenture, which shall be appropriately completed when the Notes are prepared.

The Notes shall be limited obligations of the City and shall be payable as to principal and interest, and the obligations of the City under the Indenture shall be paid and satisfied, solely from the revenues, receipts and other moneys pledged therefor under the Indenture.

Section 3. Authorization of the Bonds. For the purpose of raising moneys with which to effectuate the permanent financing of the Project, the City hereby determines to issue its Bonds, in a principal amount not to exceed \$5,000,000, said principal amount to be such amount as is necessary to make the mortgage loan in the amount approved by HUD and the Federal Housing Administration, bearing interest at a rate or rates producing a net interest cost not to exceed twelve percent (12%) per annum, and maturing as provided in the Indenture, but not later than 25 years from the date of issue. The Bonds shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Indenture, which shall be appropriately completed when the Bonds are prepared.

The Bonds shall be limited obligations of the City and

shall be payable as to principal and interest, and the obligations of the City under the Indenture shall be paid and satisfied, solely from the revenues, receipts and other moneys pledged therefor under the Indenture.

Section 4. Execution and Delivery of the Notes and the Bonds. The Notes and the Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor or Deputy Mayor, and the Official seal of the City, or a facsimile thereof, shall be impressed or imprinted thereon and attested with the manual or facsimile signature of the City Clerk. The coupons appertaining to the Notes and the Bonds shall be executed by the facsimile signature of the Mayor or Deputy Mayor.

Section 5. Approval of Indenture. To provide for the details of the Notes and the Bonds, and to prescribe the terms and conditions upon which they are to be issued, secured, executed, authenticated and held and upon which the loan is to be made and serviced, the Mayor or Deputy Mayor and the City Clerk of the City are hereby authorized and directed to execute and deliver the Indenture, a copy of which is on file in the office of the City Clerk as Document No. 00-15946-1, in substantially the form presented to this meeting or with such changes as may be approved by the officers of the City executing the same, their execution thereof to constitute conclusive evidence of their approval of all changes from the form of Indenture presented to this meeting, which form of Indenture is hereby in all respects approved and incorporated by reference and made a part hereof.

Section 6. Approval of Bond and Note Purchase Agreement. The form of Bond and Note Purchase Agreement presented to this meeting, a copy of which is on file in the office of the City Clerk as Document No. 00-15946-2, is hereby approved in all respects and incorporated herein by reference and made a part hereof, and the Mayor or Deputy Mayor of the City is hereby authorized and directed to execute and deliver to the Underwriters a Bond and Note Purchase Agreement in substantially such form or with such changes as may be approved by the officer of the City executing the same, such execution to constitute conclusive evidence of the approval by such officer of all changes from the form of Bond and Note Purchase Agreement presented to this meeting.

Section 7. Approval of Mortgage Servicing Agreement. The Mortgage Servicing Agreement in substantially the form presented to this meeting, a copy of which is on file with the City Clerk as Document No. 00-15946-3, is hereby approved and the Trustee is authorized to execute and deliver such agreement in such form or with such changes as may be appropriate and consistent with the Indenture.

Section 8. Approval of Official Statement. The form of Official Statement presented to this meeting, a copy of which is on file with the City Clerk as Document No. 00-15946-4, is hereby in all respects approved and incorporated herein by reference and made a part hereof, and the Mayor or Deputy Mayor of the City is hereby authorized and directed to execute and deliver an Official Statement in substantially such form or with such changes therein as may be approved by the officer of the

City executing the same, such execution to constitute conclusive evidence of the approval by such officer of all changes from the form of Official Statement presented to this meeting.

Section 9. Approval of Administration Agreement. The form of Administration Agreement by and between the City and the San Diego Housing Commission, substantially in the form submitted to this meeting, a copy of which is on file in the office of the City Clerk as Document No. 00-15946-5, is hereby approved, and the City Manager is hereby authorized and directed to execute and deliver, for and in the name and on behalf of the City, said Administration Agreement with such additions, changes and corrections as the City Manager may approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the City Manager's execution of said Administration Agreement with such additions, changes or corrections.

Section 10. Audits of City. The City hereby agrees, if and to the extent required by HUD, to furnish to HUD an audit by an independent public accountant of all its books and records in connection with the Project, within 90 days after the execution of the HAP contract identified in the Indenture, or final endorsement for FHA insurance, and biennially thereafter. The cost of such audits shall not be an obligation of the City, except out of revenues related to or derived from the Project.

Section 11. No Compensation. The City hereby covenants and declares that it shall receive no compensation in connection with the financing of the Project, except for its expenses, which shall be subject to approval by HUD, all as required by

HUD regulations.

Section 12. Actions Ratified and Authorized. All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Notes and the Bonds are hereby approved, confirmed and ratified, and the officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, 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 described in the Bond and Note Purchase Agreement, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes and the Bonds and the making of the loan to the Owner in accordance with the Law and this ordinance.

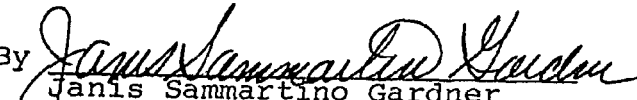
Section 13. Conflicting Resolutions Repealed. All ordinances and resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 14. Severability. If any section, paragraph or provision of this ordinance 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 provisions of this ordinance.

Section 15. Publication of Notice. The City Clerk is hereby authorized and directed to cause a digest or a copy of this ordinance to be published at least once in "The San Diego Daily Transcript" within fifteen (15) days after the adoption of this ordinance pursuant to Section 18 of the City Charter.

Section 16. Effective Date. This ordinance shall take effect on the thirtieth day after its adoption.

APPROVED: John W. Witt, City Attorney

By 
Janis Sammartino Gardner
Deputy City Attorney

JSG:mem:559

3/23/83

Or. Dept: Hsg. Comm.

o-83-205

Form=o.none

Passed and adopted by the Council of The City of San Diego on APR 18 1983,
 by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksmas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

VACANT

AUTHENTICATED BY:

BILL CLEATOR
 Deputy Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
 City Clerk of The City of San Diego, California.

(Seal)

By June A. Blackwell, Deputy.

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

APR 4 1983, and on APR 18 1983.

~~I FURTHER CERTIFY that said ordinance was read in full prior to its final passage.~~

I FURTHER CERTIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

CHARLES G. ABDELNOUR
 City Clerk of The City of San Diego, California.

(Seal)

By June A. Blackwell, Deputy.

Office of the City Clerk, San Diego, California

Ordinance Number 0-15946 Adopted APR 18 1983