

(O-92-80 COR.COPY)

ORDINANCE NUMBER O- 17732 (New Series)

ADOPTED ON JAN 21 1992

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF VARIABLE RATE MULTIFAMILY M HOUSING REVENUE DEMAND REFUNDING BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 FOR THE PURPOSE OF MAKING A MORTGAGE LOAN TO PROVIDE THE PERMANENT FINANCING OF THE COST OF DEVELOPING A MULTIFAMILY RENTAL DEVELOPMENT, 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 Multifamily 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 multifamily mortgage revenue bonds, including refunding 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 multifamily rental housing in order to meet a substantial housing need identified in the community; and

WHEREAS, Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (as amended to the date hereof, referred to herein as the "Act") provides a complete, additional and alternative method for the issuance of multifamily mortgage revenue bonds for the purpose of making loans or otherwise providing funds to finance the development of

multifamily rental housing; and

WHEREAS, Sections 53580 through 53589.5 of the Government Code of the State of California (as amended as of the date hereof, referred to herein as the "Local Agency Refunding Bond Law") provides a complete, additional and alternative method for the issuance of refunding bonds by local agencies, including the City, for the purposes described therein; and

WHEREAS, the City heretofore determined, pursuant to Ordinance No. O-16377 (New Series), adopted February 25, 1985, to engage in a program (the "Program") of financing the development of a multifamily rental housing development known as La Serena Apartments (the "Development") and to make a loan to Sabio Associates, a California general partnership (the "Original Owners"), to finance the Development for the purpose of providing housing for persons or families of low or moderate income, and in order to do so issued \$12,000,000 principal amount of its Variable Rate Multifamily Mortgage Revenue Demand Bonds, 1985 Issue C (the "1985 Bonds"); and

WHEREAS, as of May 1, 1986, the interest rate on the 1985 Bonds was converted to an interim fixed rate to be effective until March 1, 1995 (subject to the optional redemption of the 1985 Bonds prior to such date); and

WHEREAS, on February 28, 1989, the Original Owners sold the Development to Crescent Manor Joint Venture, a California general partnership, and Liveoaks Investment Joint Venture, a California general partnership (collectively, the "Owners"); and

WHEREAS, in connection with such sale, \$2,000,000 in

principal amount of the 1985 Bonds were retired; and

WHEREAS, at the request of the Owners, but subject to certain conditions established by the City, the City Council has now determined to refund the 1985 Bonds and to provide a lower interest variable rate loan (the "Loan") to the Owners to refinance the Development, and in order to do so intends to sell and issue not to exceed \$10,000,000 of its Variable Rate Multifamily Housing Revenue Demand Refunding Bonds, 1992 Issue A (the "Bonds"); and

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

- (1) The form of Indenture, including the form of Bond;
- (2) The form of Loan Agreement;
- (3) The form of Amendment No. 1 to the Regulatory Agreement relating to the Development;
- (4) The form of Bond Purchase Contract;
- (5) The form of Preliminary Official Statement relating to the Bonds;
- (6) The form of Administration Agreement relating to the Development; and
- (7) The form of Remarketing Agreement relating to the Bonds; and

WHEREAS, it appears that each of such 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, Bank of America NT&SA, (the "Underwriter") has expressed its 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; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 19864, this City Council has held a public hearing regarding the issuance of the Bonds and now desires to authorize the issuance 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 refinancing for the Development through the issuance and sale of the Bonds under the Local Agency Refunding Bond Law in order to assist in the development and preservation of the type of dwelling units to be provided by the Development.

Section 2. Authorization of the Bonds. For the purpose of raising moneys with which to make the Loan in order to effectuate the refinancing of the Development, the City hereby determines to issue the Bonds under the Local Agency Refunding Bond Law, in a principal amount not to exceed \$10,000,000, said principal amount to be such amount as is necessary to make the Loan for the Development. The Bonds shall initially bear interest at a rate of interest producing a net interest cost on the Bonds not to exceed eight percent (8.0%) per annum, maturing as provided in the Indenture, but not later than December 1, 2009. 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 3. Execution and Delivery of the Bonds. 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.

Section 4. Approval of Indenture. To provide for the details of 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, the City Manager or a deputy City Manager and the City Clerk or a deputy City Clerk are hereby authorized to execute and deliver the Indenture, a copy of which is on file in the office of the City Clerk as Document No. 00-17732-1, 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, upon consultation with the City Attorney, 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 5. Approval of Loan Agreement. To provide for the details of the making of the Loan, and the duties and obligations of the Owners, the City Manager or a deputy City Manager and the City Clerk or a deputy City Clerk are hereby authorized to execute and deliver the Loan Agreement, a copy of which is on file in the office of the City Clerk as Document No. 00-17732-2, 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, upon consultation with the City Attorney, their execution thereof to constitute conclusive evidence of their approval of all changes from the form of Loan Agreement presented to this meeting, which form of Loan Agreement is hereby in all respects approved and incorporated by reference and made a part hereof.

Section 6. Approval of Amendment No. 1 to the Regulatory Agreement. To evidence the requirements of the City, the Act and the Law with respect to the Development as refinanced, the City Manager or a deputy City Manager and the City Clerk or a deputy City Clerk are hereby authorized to execute and deliver the Amendment No. 1 to the Regulatory Agreement, a copy of which is on file in the office of the City Clerk as Document No. 00-17732-3, 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, upon consultation with the City Attorney, their

execution thereof to constitute conclusive evidence of their approval of all changes from the form of Amendment No. 1 to the Regulatory Agreement presented to this meeting, which form of Amendment No. 1 to the Regulatory Agreement is in all respects approved and incorporated by reference and made a part hereof.

Section 7. Approval of Bond Purchase Contract. The form of Bond Purchase Contract presented to this meeting, a copy of which is on file in the office of the City Clerk as Document No. 00-17732-4, is hereby approved in all respects and incorporated herein by reference and made a part hereof, and the City Manager or a deputy City Manager is hereby authorized to execute and deliver to the Underwriter a Bond Purchase Contract in substantially such form or with such changes as may be approved by the officer of the City executing the same, upon consultation with the City Attorney, such execution to constitute conclusive evidence of the approval by such officer of all changes from the form of Bond Purchase Contract presented to this meeting, which form of Bond Purchase Contract is in all respects approved and incorporated by reference and made a part hereof.

Section 8. Approval of Preliminary Official Statement and Official Statement. The form of Preliminary Official Statement relating to the Bonds, in substantially the form presented to this meeting, a copy of which is on file with the City Clerk as Document No. 00-17732-5, is hereby in all respects approved and incorporated herein by reference and made a part hereof, and the City Council hereby ratifies and approves distribution of the Preliminary Official Statement to prospective purchasers of the

Bonds. The City Manager or a deputy City Manager of the City is hereby authorized to execute and deliver, at the time of sale of the Bonds, said form of Preliminary Official Statement as the final Official Statement, with such changes therein as may be approved by the officer of the City executing the same, upon consultation with the City Attorney, 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, which form of Official Statement is in all respects approved and incorporated by reference and made a part hereof.

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. 00-17732-6, is hereby approved, and the City Manager or a deputy City Manager is hereby authorized to execute and deliver an Administration Agreement in substantially such form or with such changes therein as may be approved by the officer of the City executing the same, upon consultation with the City Attorney, such execution to constitute conclusive evidence of the approval by such officer of all changes from the form of Administration Agreement presented to this meeting, which form of Administration Agreement is in all respects approved and incorporated by reference and made a part hereof.

Section 10. Approval of Remarketing Agreement. The form of Remarketing Agreement by and between the City, the Owners and Bank of America NT&SA, as remarketing agent, 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. ~~00-17732~~⁷, is hereby approved, and the City Manager or a deputy City Manager is hereby authorized to execute and deliver a Remarketing Agreement in substantially such form or with such changes therein as may be approved by the officer of the City executing the same, upon consultation with the City Attorney, such execution to constitute conclusive evidence of the approval by such officer of all changes from the form of Remarketing Agreement presented to this meeting, which form of Remarketing Agreement is in all respects approved and incorporated by reference and made a part hereof.

Section 11. 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 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 Purchase Contract, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and the making of the Mortgage Loan in accordance with the Law and this ordinance, and in order to administer the Program.

Section 12. 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

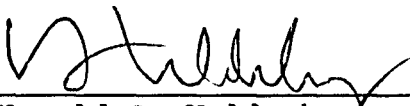
of such section, paragraph or provision shall not affect any remaining provisions of this ordinance.

Section 13. Ordinance Constitutes Approval. It is the purpose and intent of this City Council that this ordinance constitute approval of the Bonds by the applicable elected representative in accordance with Section 147(f) of the Internal Revenue Code of 1986.

Section 14. 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 15. Effective Date. This ordinance shall take effect on the thirtieth day after its adoption.

APPROVED: JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug
Deputy City Attorney

HOV:ps
11/27/91
12/20/91 COR.COPY
Or.Dept:Hsg.Comm.
O-92-80
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Handwritten scribbles at the top right of the page.

Passed and adopted by the Council of The City of San Diego on JAN 21 1992
by the following vote:

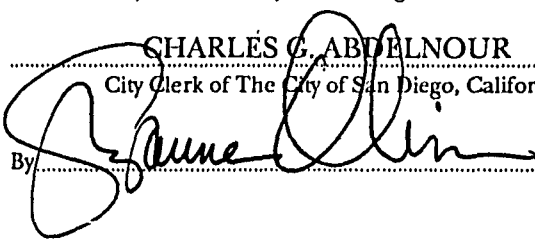
Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Hartley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
George Stevens	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Behr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Valerie Stallings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Filner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

MAUREEN O'CONNOR
Mayor of The City of San Diego, California.

(Seal)

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

By:  Deputy.

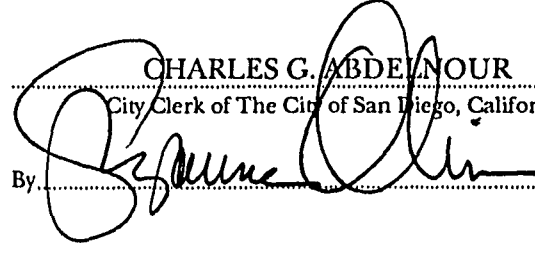
I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on JAN 07 1992, and on JAN 21 1992

~~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:  Deputy.

Office of the City Clerk, San Diego, California	
Ordinance Number <u>0-17732</u>	Adopted <u>JAN 21 1992</u>

1985

RECEIVED
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CITY CLERK'S OFFICE
SAN DIEGO, CA

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CERTIFICATE OF PUBLICATION

RECEIVED
CITY CLERK'S OFFICE

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SAN DIEGO, CALIF. *SP*

CITY CLERK'S OFFICE
CITY ADMIN. BLDG.,
202 C ST., 2ND FLOOR
SAN DIEGO, CA 92101

IN THE MATTER OF

NO.

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND
DELIVERY OF VARIABLE RATE MULTIFAMILY HOUSING
REVENUE DEMAND REFUNDING BONDS IN A PRINCIPAL
AMOUNT NOT TO EXCEED \$10,000,000 FOR THE PURPOSE...

ORDINANCE NUMBER O-17732

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF VARIABLE RATE MULTIFAMILY HOUSING REVENUE DEMAND REFUNDING BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 FOR THE PURPOSE OF MAKING A MORTGAGE LOAN TO PROVIDE THE PERMANENT FINANCING OF THE COST OF DEVELOPING A MULTIFAMILY RENTAL DEVELOPMENT, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

This ordinance authorizes the issuance, sale and delivery of variable rate of multifamily housing revenue demand refunding bonds in a principal amount not to exceed \$10,000,000 for the purpose of making a mortgage loan to provide the permanent financing of the cost of developing a multifamily rental housing development known as La Serena Apartments, and authorizing the execution of related documents, agreements and actions.

A copy of the ordinance and related documents are on file in the office of the City Clerk and available for public inspection.

A complete copy of the ordinance is available for inspection in the office of the City Clerk of San Diego, 2nd floor, City Administration Building, 202 "C" Street, San Diego, CA 92101.

INTRODUCED ON January 7, 1992
Passed and Adopted by the Council of the City of San Diego on January 21, 1992.

AUTHENTICATED BY:
MAUREEN O'CONNOR
Mayor of The City of San Diego, CA
CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, CA
By SUZANNE OLIVA, Deputy

Pub. Feb. 4 299897

I, Corey Donahue, am a citizen of the United States and a resident of the county aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the San Diego Daily Transcript, a newspaper of general circulation, printed and published daily, except Saturdays and Sundays, in the City of San Diego, County of San Diego and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of San Diego, State of California, under the date of January 23, 1909, Decree No. 14894; and the

ORDINANCE NUMBER O-17732

is a true and correct copy of which the annexed is a printed copy and was published in said newspaper on the following date(s), to wit:

FEBRUARY 4

I certify under penalty of perjury that the foregoing is true and correct.

Dated at San Diego, California this 4TH day of FEB., 1992.

Corey Donahue

(Signature)