

ORDINANCE NUMBER O-15859 (New Series)

Adopted on November 15, 1982

AN ORDINANCE AUTHORIZING THE SALE OF NOT TO EXCEED \$23,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE CITY OF SAN DIEGO RENTAL HOUSING REVENUE BONDS, SERIES A - MARINER'S COVE (FEDERAL HOUSING ADMINISTRATION INSURED MORTGAGE LOAN) 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 (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, the City Council has now determined to provide financing for a residential rental project, commonly known as Mariner's Cove Development (the "Development") containing five hundred (500) rental apartment units for the purpose of providing housing for low or moderate income persons or families, and the Development is to be situated on an approximately forty-five (45) acre parcel located at the northeast corner of West Point Loma and Nimitz Boulevards in the City; and

WHEREAS, to help finance the Development, the City proposes to issue not to exceed twenty-three million dollars (\$23,000,000) aggregate principal amount of its Rental Housing Revenue Bonds, Series A - Mariner's Cove (Federal Housing Administration Insured Mortgage Loan) (the "Bonds") pursuant to the Law; and

WHEREAS, Goldman, Sachs & Co. 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. The proposed form Purchase Contract (the "Purchase Contract") presented to this meeting by the Underwriters for the purchase of the Bonds, and a copy of which is on file in the office of the City Clerk as Document No. OO- 15859-1, is hereby approved in substantially the form so submitted, and the City Manager is hereby authorized to execute and deliver, for and in the name and on behalf of the City, said Purchase Contract with such additions, changes and corrections as said City Manager or his authorized deputy (hereinafter "City Manager") may approve upon consultation with the City Attorney or his authorized deputy (hereinafter "City Attorney") such approval to be conclusively evidenced by the City Manager's execution of said Purchase Contract with such additions, changes or corrections; provided, however, that in no event shall the aggregate principal amount of the Bonds exceed \$23,000,000 or the stated rate of interest on any of the Bonds exceed 13% per annum.

Section 2. The proposed form of Indenture (the "Indenture"), by and between the City and Security Pacific National Bank, as Trustee, substantially in the form submitted to this meeting and a copy of which is on file in the office of the City Clerk as Document No. OO-15859-2, is hereby approved, and the City Manager of the City is hereby authorized and directed to execute and deliver, for and in the name of and on behalf of the City, said Indenture 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 Indenture with such additions, changes or corrections. The Bonds shall bear such date or dates, mature at such time or times, be in such denominations, be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption as are set forth in the Indenture as finally executed.

Section 3. Security Pacific National Bank is hereby appointed to act as Trustee under the Indenture with the duties and powers of such Trustee as set forth in the Indenture.

Section 4. The proposed form of the Bonds, substantially in the form set forth in the Indenture, is hereby approved, and the proper officers of the City are hereby authorized and directed to execute, and the Trustee is hereby authorized and directed to authenticate and deliver the Bonds in an aggregate principal amount of not to exceed \$23,000,000 to the Underwriters in accordance with the Purchase Contract and the Indenture.

Section 5. The proposed form of Mortgage Servicing Agreement by and between the City, BA Mortgage and International Realty Corporation (the "Servicer") and the Trustee, substantially in the form submitted to this meeting, and a copy of which is on file in the office of the City Clerk as Document No. OO-15859-3, is hereby approved, and the City Manager of the City is hereby authorized and directed to execute and deliver, for and in the name of and on behalf of the City, said Mortgage Servicing 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 Mortgage Servicing Agreement with such additions, changes or corrections.

Section 6. The proposed form of Development Loan Commitment by and between the City and Lincoln Property Company No. 409, LTD (the "Developer"), substantially in the form submitted to this meeting, and a copy of which is on file in the office of the City Clerk as Document No. OO-15859-4, is hereby approved, and the City Manager of the City is hereby authorized and directed to execute and deliver, for and in the name and on behalf of the City, said Development Loan Commitment with such additions, changes and corrections as said City Manager may approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the City Manager's execution of said Development Loan Commitment with such additions, changes or corrections.

Section 7. The proposed form of Supplemental Agreement by and between the City and the Developer, substantially in the form submitted to this meeting, and a copy of which is on file in the office of the City Clerk as Document No. RR-15859-5, is hereby approved, and the City Manager of the City is hereby authorized and directed to execute and deliver, for and in the name and on behalf of the City, said Supplemental 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 Supplemental Agreement with such additions, changes or corrections.

Section 8. The proposed form of Administration Agreement by and between the City and the San Diego Housing Commission substantially in the form submitted to this meeting, and a copy of which is on file in the office of the City Clerk as Document No. OO-15859-6, is hereby approved, and the City Manager of the City 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 9. The form of preliminary Official Statement, substantially in the form presented to this meeting, and a copy of which is on file in the office of the City Clerk as Document No. OO-15859-7, is hereby approved, and the City Council hereby approves and authorizes the distribution of said preliminary Official Statement to prospective purchasers of the Bonds. The proper officer of the City is hereby authorized to execute and deliver, at the time of the sale of the Bonds, said form of preliminary Official Statement as the final Official Statement with such additions and changes as said proper officer shall approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the execution of said final Official Statement with such additions, changes or corrections.

Section 10. 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.

Section 11. 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 12. This ordinance shall take effect on the thirtieth day from and after its adoption.

APPROVED: John W. Witt, City Attorney

By Harold O. Valderhaug Deputy City Attorney

HOV:ps

10/15/82

Revised 10/21/82

Revised 10/28/82

Or.Dept:Hsg.Comm.

Form=r.none