

RESOLUTION NO. 53-99

(Adopted May 11, 1999)

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH THE BANK OF AMERICA TO GUARANTEE THE REPURCHASE OF CERTAIN MORTGAGE REVENUE BONDS TO BE ISSUED BY THE AGENCY ON BEHALF OF GGA 1820 POST, L.P.; IN AN AMOUNT NOT TO EXCEED \$925,000, ALL IN FURTHERANCE OF THE PRESERVATION AND REHABILITATION OF GOLDEN GATE APARTMENTS, 1820 POST STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM; WESTERN ADDITION PROJECT AREA A-2

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the "Law"), the Agency undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").

2. Pursuant to the Law the Board of Supervisors of the City established the Western Addition A-2 Redevelopment Project Area ("Project Area") and adopted the Western Addition A-2 Redevelopment Plan (as amended, the "Redevelopment Plan").

3. The Agency is authorized pursuant to the Law to distribute monies to nonprofit developers and sponsors for the specific and special purpose of increasing and maintaining the housing stock in the City and County of San Francisco for very-low, low- and moderate-income households.

4. The expiration of project-based Section 8 contracts poses a serious threat to San Francisco's affordable housing stock. Many of the housing developments with expiring Section 8 contracts are located in Redevelopment Project Areas. The Agency desires to preserve developments with Section 8 contracts as affordable housing by lending or expending Tax Increment Housing Funds.

5. GGA 1820 POST, L.P. ("Developer") is a limited partnership established solely to acquire and own housing units for very-low and low-income residents (the "Project") on the real property located at 1820 Post Street, San Francisco, California (the "Site"). The Agency intends (i) to acquire the Site and lease it to the Developer; and (ii) to assign its right to acquire the Improvements to the Developer for rehabilitation and operation as affordable housing. Developer intends to finance the acquisition and rehabilitation of the Improvements using, among other sources, multifamily mortgage revenue bonds, Series B, to be issued by the Agency

and sold to the Bank of America ("Bank").

6. As a further inducement to the Bank to purchase the Series B Bonds, the Agency wishes to guarantee that if the Developer defaults on repayment of the loan securing the repayment of the principal and interest on the Series B Bonds and such default is a result of the reduction or termination of Section 8 rental assistance payments currently or intended to be provided for the Project, then the Agency will either cure the default or repurchase the Series B Bonds from the Bank.

7. There are funds available in the Agency's Housing Program budget to fund fully the obligation represented by this proposed guarantee.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO that the Executive Director is authorized to enter into an Agency Bond Repurchase Obligation with the Bank of America (the "Agreement"), committing the Agency to repurchase the Series B Bonds being issued for and on behalf of the Developer, in an amount not to exceed \$925,000, plus any accrued interest, default charges and any necessary transaction costs, under certain conditions as set forth in the Agreement, substantially in the form lodged with Agency General Counsel.

APPROVED AS TO FORM:



ROBERT A. FIREHOCK
Acting Agency General Counsel