

## **RESOLUTION NO. 62-2007**

*Adopted June 19, 2007*

**AUTHORIZING THE SUBSTITUTION OF THE JUNIPERO SERRA, L.P.,  
A CALIFORNIA LIMITED PARTNERSHIP, FOR JUNIPERO SERRA,  
LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, EACH AN  
AFFILIATE OF MERCY HOUSING CALIFORNIA, IN CONJUNCTION  
WITH THE REFINANCING OF THE JUNIPERO SERRA HOUSE  
APARTMENTS, 926 FILLMORE STREET;  
WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2**

### **BASIS FOR RESOLUTION**

1. The Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic (the "Agency"), and Access to Housing, Inc., a California nonprofit public benefit corporation (the "Developer"), entered into an Agreement for Disposition of Land for Private Development dated November 4, 1986 (the "Initial LDA") in connection with the Developer's purchase and development of 926 Fillmore Street, Parcel 780-H (the "Site"), in the Western Addition Redevelopment Project Area A-2, which was recorded on March 15, 1988, in the Office of the Recorder of the City and County of San Francisco, State of California, in Book E-550 of Official Records, at page 1199, as Document No. E-144039.
2. The Initial LDA was amended by a First Amendatory Agreement dated February 17, 1987, a Second Amendatory Agreement dated May 19, 1987, a Third Amendatory Agreement dated October 27, 1987, and a Fourth Amendatory Agreement dated March 21, 1989, respectively recorded in the Office of the Recorder of the City and County of San Francisco, State of California, as Document Nos. E-144040, E144041, E144042 and E345598 (collectively, the "Agreement").
3. The Agency transferred the Site to the Developer pursuant to the deed recorded on March 15, 1988, in the Office of the Recorder of the City and County of San Francisco, State of California, in Book E-550 of Official Records, at page 1199, as Document No. E-144043, subject to a number of covenants recited in the deed (collectively the "Deed"), including a covenant requiring the Site improvements consisting of a 25-unit multifamily rental housing project (the "Project") to remain affordable to lower-income households during the time that a loan was provided pursuant to Section 202 of the Housing Act of 1959 ("Section 202 Loan") remains outstanding.

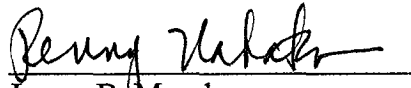
4. The Developer wishes to prepay the Section 202 Loan and transfer the Project to an affiliate of Mercy Housing California (the "Mercy Affiliate"), who will make necessary repairs to the Project, both to be financed through the use of Multifamily Housing Revenue Bonds issued by the California Municipal Finance Authority, a joint exercise of powers agency (the "Bonds"), and credit enhanced by Fannie Mae, a federally chartered and stockholder owned corporation.
5. The Developer has asked the Agency to enter into a Subordination Agreement, subordinating the Deed and the Agreement to the Deed of Trust to be executed by the Mercy Affiliate, who will acquire the Project from the Developer, which Deed of Trust is to be assigned to Fannie Mae so that the financing can occur.
6. The parties also desire to enter into a Fifth Amendatory Agreement to recognize the proposed transfer of the Project to the Mercy Affiliate to extend the affordability covenant contained in the Agreement and the Deed until the end of the Qualified Project Period, as defined by the Regulatory Agreement and Declaration of Restrictive Covenants executed in connection with the Bonds, and to extend the applicability of the Certificate of Preference Program to rental of units in the Project.
7. On April 3, 2007, the Commission adopted Resolution No. 20-2007, which authorized a Fifth Amendatory Agreement to the LDA and a Subordination Agreement requested by Fannie Mae. At that time, the Mercy Affiliate that was to take ownership of the Project was Juniper Serra, LLC, a California limited liability company.
8. The Developer and Mercy Housing California have recently been instructed by staff of the U.S. Department of Housing and Urban Development ("HUD") that a Project financed under Section 202 cannot be transferred to an LLC. Instead, the Project should be transferred to a limited partnership. Therefore, the Developer is now seeking to substitute Junipero Serra, L.P. for Junipero Serra, LLC, in accordance with HUD's requirements.
9. The execution of the Fifth Amendatory Agreement and the Subordination Agreement and the refinancing and sale of the Project are exempt from the California Environmental Quality Act ("CEQA") pursuant to the Class 1 categorical exemption for existing facilities contained in Section 15301 of the State CEQA Guidelines.

## **RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED**, by the Redevelopment Agency of the City and County of San Francisco that it hereby amends Resolution No. 20-2007 to substitute Junipero Serra, L.P., a California limited partnership, for Junipero Serra, LLC, a California limited liability company, each an affiliate of Mercy Housing California, and

authorizes the Executive Director to (1) enter into a Fifth Amendatory Agreement with Access to Housing, Inc. and (2) to execute a Subordination Agreement on behalf of the Agency with Fannie Mae, a federally chartered and stockholder owned corporation, and Junipero Serra, L.P., substantially in the form lodged with the Agency General Counsel.

**APPROVED AS TO FORM:**

A handwritten signature in dark ink, appearing to read "James B. Morales", is written over a horizontal line.

James B. Morales

for Agency General Counsel