

RESOLUTION NO. 9-2008

Adopted March 18, 2008

EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$24,000,000 TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES KNOWN AS ARMSTRONG SENIOR HOUSING, LOCATED ON A PORTION OF ASSESSOR'S BLOCK 5421, PARCEL NUMBERS 003, 005, 006, 007, 008, 009 AND 011; BAYVIEW HUNTER'S POINT REDEVELOPMENT PROJECT AREA; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is a public body organized and existing pursuant to California Health and Safety Code Section 33000, *et seq.*, (the "Redevelopment Law") and is authorized by Chapter 8, beginning at California Health and Safety Code Section 33750, of the Redevelopment Law to finance residential construction and to issue mortgage revenue bonds to pay the cost of financing such residential construction.
2. On May 16, 2006, by Ordinance No. 113-06, the Board of Supervisors of the City and County of San Francisco adopted the Bayview Hunters Point Redevelopment Project Area (the "Project Area") in order to undertake a variety of projects and activities to alleviate blighting conditions.
3. It is the mission of BRIDGE Housing Development Corporation, a California nonprofit public benefit corporation ("BRIDGE" or the "Developer"), to provide safe, decent and affordable rental and ownership housing in the Bay Area and Southern California.
4. On December 12, 2001, in furtherance of its mission, the Developer entered into a purchase and sale agreement to purchase approximately 3.14 acres at 5600 Third Street in the Project Area for the purpose of redeveloping it, on two separate parcels, as approximately 116 units of rental housing for very low-income seniors with ground floor commercial space (the "Senior Project") and approximately 118 units of ownership housing for low- and moderate-income households on the adjacent parcel (the "Family Project" and together with the Senior Project, the "Site" or "Project").
5. On June 18, 2002, the Agency Commission authorized the following with BRIDGE: (1) an Assignment and Assumption Agreement to purchase the real property located at 5600 Third Street for a total amount not to exceed \$9,800,000;

(2) an Exclusive Negotiations Agreement leading to the long-term lease of the Site for the development of the Senior Project; and, (3) a Tax Increment Predevelopment Loan Agreement in the amount of \$200,000 (the "First Predevelopment Amount").

6. On May 18, 2004, by Resolution No. 59-2004, the Agency Commission approved a First Amendment to the Predevelopment Loan Agreement to increase the predevelopment funding in an amount not to exceed \$2,332,990 for a total aggregate amount not to exceed \$2,532,990.
7. On July 19, 2005, by Resolution No. 116-2005, the Agency Commission approved a Second Amendment to the Predevelopment Loan Agreement to increase the predevelopment funding in an amount not to exceed \$600,000 for a total aggregate amount not to exceed \$3,132,990.
8. On September 18, 2007, by Resolution No. 105-2007, the Agency Commission approved a Third Amendment to the Predevelopment Loan Agreement to increase the predevelopment funding in an amount not to exceed \$1,660,000 for a total aggregate amount not to exceed \$5,459,136, which amount does not include the First Predevelopment Amount as that amount was assigned to the Family Project.
9. The Agency now wishes to issue and sell its mortgage revenue bonds pursuant to the Redevelopment Law in an amount not to exceed TWENTY FOUR MILLION AND NO/100 DOLLARS (\$24,000,000.00) to finance a portion of the costs of construction of the Senior Project.
10. United States Treasury Regulations Section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure.
11. The Developer has incurred and expects to incur certain expenditures in connection with the Senior Project.
12. The Agency and the Developer wishes to ensure compliance with United States Treasury Regulations Section 1.150-2.
13. It is in the public interest and for the public benefit that the Agency declares its official intention, within the meaning of United States Treasury Regulations Section 1.150-2, to reimburse expenditures for the Senior Project with the proceeds of the issuance of bonds.
14. The issuance of the bonds on a tax-exempt basis will require an allocation from the California Debt Limit Allocation Committee after application from the Agency in accordance with the application process and competitive award of such allocation (including payment of application fees and posting of a performance deposit in an

amount up to 1% of the principal amount of the requested amount of bond allocation).

15. The final terms and conditions of the bond issuance will be determined by agreement between the Agency and the Developer, or its assignee.
16. In adopting Resolution No. 10-2007, the Agency Commission found that the Mitigated Negative Declaration for the proposed development of 5600 Third Street, which was prepared pursuant to the California Environmental Quality Act ("CEQA") by the San Francisco Planning Department and adopted by the San Francisco Planning Commission on June 23, 2005, reflected the independent judgment and analysis of the Agency and adopted the Mitigated Negative Declaration as adequate and having been prepared in accordance with CEQA.
17. Authorizing the issuance of multifamily mortgage revenue bonds to finance the construction of residential facilities known as Armstrong Senior Housing is an Implementing Action for the construction of the Senior Project. Agency staff, in making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the Mitigated Negative Declaration. Documents related to the Implementing Action and the Mitigated Negative Declaration have been and continue to be available for review by the Agency Commission and the public and are part of the record before the Agency Commission.
18. The Mitigated Negative Declaration and Resolution No. 10-2007 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the Implementing Action.

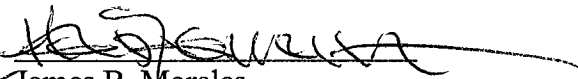
RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that subject to negotiation of an agreement with the Developer to the satisfaction of the Agency of financing and other Senior Project related terms and conditions:

1. The Agency has reviewed and considered the Mitigated Negative Declaration and hereby adopts the CEQA findings set forth in Resolution No. 10-2007 incorporated herein.
2. The Agency expresses its official intent to issue mortgage revenue bonds or notes in one or more series in an amount not to exceed TWENTY FOUR MILLION AND NO/100 DOLLARS (\$24,000,000.00) to provide financing (including reimbursement of amounts previously expended as provided in United States Treasury Regulations Section 1.150-2) to the Developer, or its assignee, for the Senior Project in the form of construction and/or permanent loans.

3. The Agency hereby declares that it reasonably expects (i) to pay certain costs of the Senior Project prior to the date of issuance of bonds and (ii) to use a portion of the proceeds of the bonds for reimbursement of expenditures for the costs of the Senior Project that are paid before the date of issuance of the bonds and not otherwise paid from the proceeds of such bonds heretofore issued.
4. The maximum principal amount of the bonds which the Agency expects to issue from which it expects to reimburse the Developer for the costs of the Senior Project pursuant to this Resolution is TWENTY FOUR MILLION AND NO/100 DOLLARS (\$24,000,000.00).
5. The final terms and conditions of the bond issuance will be determined by agreement between the Agency and the Developer. If the parties are not successful in reaching an agreement, the Agency will negotiate the terms and conditions with an alternate developer designated by the Agency.
6. This expression of intent does not give the Developer any claim or rights against the Agency or any entitlement to the financing described above. The failure of the Agency to provide such financing, for any reason whatsoever or for no reason, shall not create any liability of the Agency to the Developer. Nevertheless, the Agency acknowledges that the possible availability of financing from the Agency is an inducement to the Developer to undertake the Senior Project in the manner described by the Agency.
7. The Executive Director, Treasurer, Secretary and Assistant Secretaries, Agency General Counsel, Deputy General Counsels and other officers are authorized to execute and deliver any and all documents and to take any and all other actions necessary to consummate the transactions described in this Resolution; including making an application to the California Debt Limit Allocation Committee, paying application fees and posting any required performance deposit; and the execution and delivery of any such document, fee or deposit shall be conclusive evidence of its approval.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel