

RESOLUTION NO. 107-2008

Adopted September 16, 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
AGGREGATE AMOUNT NOT TO EXCEED \$28,000,000 TO FINANCE
THE ACQUISITION AND REHABILITATION OF RESIDENTIAL
FACILITIES AT 1615 SUTTER STREET BY NIHONMACHI TERRACE
LIMITED PARTNERSHIP; WESTERN ADDITION REDEVELOPMENT
PROJECT AREA A-2**

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. Japanese American Religious Federation Housing, Inc. (the "Owner"), a California nonprofit public benefit corporation, is the current owner of a multifamily rental housing apartment building with 245 units located at 1615 Sutter Street in San Francisco, California, in the Western Addition Redevelopment Project Area A-2, known as Nihonmachi Terrace (the "Facility"). The Owner has agreed to sell the Facility to Nihonmachi Terrace Limited Partnership, a California limited partnership, or another limited partnership under which the Owner will be the general partner (the "Buyer"). The Buyer will own and manage the Facility and will engage Japanese American Religious Federation Housing, Inc. to act as developer. For purposes of this Resolution, the term "Developer" means the Buyer, Japanese American Religious Federation Housing, Inc., and any related entity or assignee thereof.
3. On April 1, 2008, the Agency expressed its official intent to issue mortgage revenue bonds or notes in one or more series in an amount not to exceed Eighteen Million Dollars (\$18,000,000). Since that time, the federal Housing and Economic Recovery Act of 2008 made additional project-based Section 8 rental subsidy available, and will allow increased debt capacity so that all the required rehabilitation can be completed.
4. The Agency now wishes to issue and sell its mortgage revenue bonds pursuant to the Redevelopment Law in an amount not to exceed Twenty-Eight Million Dollars (\$28,000,000) to finance a portion of the costs of the acquisition and rehabilitation of the Facility (the "Project").

5. The Agency wishes to declare its official intention, within the meaning of Treasury Regulations Section 1.150-2, to reimburse expenditures for the Project with the proceeds of its mortgage revenue bonds.
6. The issuance of mortgage revenue bonds on a tax-exempt basis will require an allocation of private activity bond volume cap from the California Debt Limit Allocation Committee ("CDLAC"), requiring the Agency to submit an application in accordance with CDLAC's procedures (including payment of application fees and posting of a performance deposit in an amount up to 0.5% of the principal amount of the requested amount of bond allocation, not to exceed \$100,000).
7. The final terms and conditions of the bond issue will be determined by agreement between the Agency and the Developer.
8. Pursuant to the California Environmental Quality Act ("CEQA") Guidelines Sections 15301(a) (Alterations to Existing Facilities) and 15301(d) (Rehabilitation of Existing Facilities), issuance of multifamily mortgage revenue bonds to finance the acquisition and rehabilitation of Nihonmachi Terrace is exempt from CEQA review.

RESOLUTION

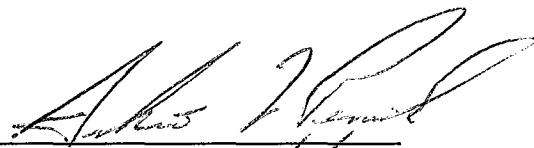
ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco as follows:

1. 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-Eight Million Dollars (\$28,000,000) to provide financing (including reimbursement of amounts previously expended as provided in Treasury Regulations Section 1.150-2) to the Developer for the Project, subject to the negotiation and execution of an agreement between the Developer and the Agency regarding such financing and other Project-related terms and conditions.
2. The Agency hereby authorizes submission of an application for an allocation to CDLAC for private activity bond volume cap in an amount not to exceed \$28,000,000.
3. The final terms and conditions of the bond issue will be determined by agreement between the Agency and the Developer.
4. This expression of intent does not give the Owner or Developer any claim or right 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 Project in the manner described by the Agency.

5. The Executive Director, Deputy Executive Director, Finance and Administration; 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 in connection with the application to CDLAC, including 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:



for James B. Morales 8/9/08
Agency General Counsel