

RESOLUTION NO. 115-2008

Adopted October 7, 2008

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TAX EXEMPT MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (ARMSTRONG PLACE SENIOR HOUSING) 2008 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,000,000; DETERMINING AND PRESCRIBING CERTAIN RELATED MATTERS; APPROVING AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES KNOWN AS ARMSTRONG PLACE SENIOR HOUSING; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

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 "Law") and is authorized by Chapter 8, beginning at California Health and Safety Code Section 33750, of the 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"), 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, BRIDGE 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 (including 1 manager's unit) of rental housing for very low-income seniors with ground floor commercial/community 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 the "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. On March 18, 2008, by Resolution No. 9-2008, the Agency expressed its intention to issue multifamily housing mortgage revenue bonds on a tax exempt basis in an amount not to exceed \$24,000,000 to finance a portion of the Senior Project, which intention constituted an integral part of the financing of the Project as commenced through the aforesaid loan. On May 29, 2008, the Agency held a public hearing on the proposed issuance of such tax exempt bonds, as required under the Internal Revenue Code of 1986, as amended (the "Code"), following published notice of such hearing on May 13, 2008 and on May 20, 2008, and the Mayor of the City and County of San Francisco, as an applicable elected representative under the Code, approved the issuance of such tax exempt bonds on June 13, 2008.
10. On July 16, 2008, the California Debt Limit Allocation Committee approved an allocation of tax exempt multifamily mortgage revenue bonds in an amount not to exceed \$24,000,000 based on the Developer's binding commitment to the Agency to complete the development of the Project in part with the proceeds of such bonds and in furtherance of the Agency's authorized financing of the Project.
11. Acting pursuant to each of the foregoing actions, authorizations, approvals and commitments, the Agency intends to complete the implementation of its financing program for the Senior Project through the issuance of its Redevelopment Agency of the City and County of San Francisco Tax Exempt Multifamily Housing Mortgage Revenue Bonds in one series in an amount not to exceed \$24,000,000 designated as the Redevelopment Agency of the City and County of San Francisco Multifamily Housing Mortgage Revenue Bonds (Armstrong Place Senior Housing) 2008 (the "Bonds"). The proceeds of the Bonds will be advanced by Wells Fargo, National Association, as Agent (the "Agent") for the account of the Agency to the Borrower, for the purpose of funding a loan in the maximum aggregate principal amount of \$24,000,000 to finance the Borrower's construction of the Project (the "Loan") pursuant to the terms and conditions of a Construction Loan Agreement (the "Loan Agreement") by and between the Borrower and the Agent in accordance with that Master Pledge and Assignment, dated as of November 1, 2008 (the "Pledge and Assignment"), among the Agency, as issuer of the Bonds, the Agent, as

agent, under and pursuant to that certain Master Agency Agreement, dated as of November 1, 2008 (the "Agency Agreement") between the Agency and the Agent, and Wells Fargo, National Association, as initial holder of the Bonds (the "Holder") and pursuant to certain conditions and requirements set forth in a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of November 1, 2008, by and between the Agency and the Borrower (the "Regulatory Agreement").

12. At all times during the foregoing events, the Agency has been and continues to be authorized and required pursuant to the Law to lend and distribute monies to nonprofit developers and sponsors for the specific and special purpose of increasing the housing stock in the City for very-low, low- and moderate-income households.
13. Pursuant to the requirements of the Agency and in furtherance of the purposes of the aforesaid grants and loans, the Borrower intends to finance the construction of the Project using, among other sources, the proceeds of the Loan. The Bonds to be issued to fund the Loan will be sold to the Holder pursuant to and in furtherance of the purposes of the prior actions of the Agency with respect to the Project.
14. The Agency is authorized and required pursuant to the Law to adopt administrative, ministerial and other regulations that contain standards, qualifications and criteria for the making and approval of loans. In furtherance of the purposes of the foregoing actions, the Agency intends to implement these procedures and requirements in part through the adoption of more particular standards, qualifications and criteria for the making and approval of the Loan as heretofore authorized that are declarative of its prior policies and authorizations, as set forth in the letter dated as of March 26, 2008, from the Holder to the Borrower with respect to the Holder's commitment to purchase the Bonds (the "Commitment Letter"), the Loan Agreement, the Pledge and Assignment, the Agency Agreement and the Regulatory Agreement, as the regulation of the Agency that contains standards, qualifications, and criteria for the making and approval of the Loan for purposes of the Law and the prior actions and authorizations of the Agency with respect to the Project and its financing.
15. The Agency hereby ratifies, confirms and affirms that all acts, conditions and things required by the Act and the Law, and by the Constitution and laws of the State of California and by prior Agency actions to exist, to have happened and to have been performed precedent to and in connection with the adoption of the particular standards, qualifications and criteria for the making and approval of the Loan that are set forth in the Loan Agreement, the Pledge and Assignment, the Agency Agreement, the Regulatory Agreement and the Commitment Letter as the regulation of the Agency that contains standards, qualifications and criteria for the making and approval of the Loan for purposes of the Law and the consummation of the financing represented by the Bonds and the Loan do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency continues to be duly authorized and empowered, pursuant to each and every requirement of law, to authorize the adoption of such particular standards, qualifications and criteria, to authorize the consummation of such financing and in furtherance and ratification thereof to authorize the execution and delivery of

documents related to such consummation, for the purposes, in the manner and upon the terms contemplated in this Resolution and as contemplated and authorized in the prior resolutions and actions of the Agency adopted or taken in connection with the Senior Project and its ongoing financing.

16. On February 20, 2007, the Agency Commission adopted Resolution No. 10-2007, wherein the Commission found that the Mitigated Negative Declaration for the proposed Senior Project, 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. The issuance, sale and delivery of tax exempt multifamily housing mortgage revenue bonds as previously authorized and contemplated by the Agency is an Implementing Action for the construction of the Senior Project pursuant to the approved schematic design. 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.

FINDINGS

The Agency Commission hereby finds and determines that the adoption of particular standards, qualifications and criteria for the making and approval of the Loan and the use of low- and moderate-income housing funds and other funds of the Agency to assist in the consummation of financing of the Senior Project as previously authorized and contemplated will be of benefit to the Agency's redevelopment project areas.

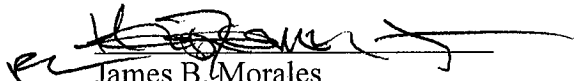
RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that (1) it has reviewed and considered the Mitigated Negative Declaration and hereby adopts the CEQA findings set forth in Resolution No. 10-2007 incorporated herein, and (2) subject to negotiation of an agreement with the Developer to the satisfaction of the Agency of financing and other Project related terms and conditions:

1. Pursuant to the Law, the Agency hereby adopts the particular standards, qualifications, and criteria for the making and approval of the Loan that are set forth in the Commitment Letter, the Loan Agreement, the Pledge and Assignment, the Agency Agreement and the Regulatory Agreement, with such changes, additions and deletions as may be approved by any Authorized Officer (described below) in the manner set forth in Section 3 below, as the regulation of the Agency that contains standards, qualifications and criteria for the making and approval of the Loan for purposes of the Law, as previously authorized and contemplated by the Agency in principle and as policy.
2. Pursuant to the Act, the Agency hereby ratifies, affirms and confirms its authorization of the issuance, sale and delivery of the Bonds designated as the "Redevelopment Agency of the City and County of San Francisco Multifamily Mortgage Housing Revenue Bonds (Armstrong Place Senior Housing) 2008". The Bonds shall be issued pursuant to the Pledge and Assignment. The terms of the Bonds of each series shall be as set forth in the Pledge and Assignment, as such agreement is executed and delivered by the Agency. The Executive Director, the Deputy Executive Director - Finance and Administration, and the Secretary of the Agency (each an "Authorized Officer"), each acting alone, are hereby authorized and directed to execute the Bonds on behalf of the Agency by manual or facsimile signature, in the form set forth in the Pledge and Assignment, with such changes, deletions and insertions as may be approved by such Authorized Officer upon consultation with legal counsel to the Agency, such approval being conclusively evidenced by the execution and delivery thereof, and the Authorized Officers, each acting alone, are hereby authorized and directed to attest the Bonds in said form and otherwise in accordance with the Pledge and Assignment. The Bonds, when executed, shall be delivered to or upon the order of the Holder.
3. The Pledge and Assignment, the Agency Agreement, the Regulatory Agreement and the Loan Agreement, in the forms lodged with the Agency General Counsel, are hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Agency to execute and deliver the Pledge and Assignment, the Agency Agreement and the Regulatory Agreement (collectively, the "Bond Documents") and approve the Loan Agreement in such forms, with such changes, additions or deletions as may be approved by such Authorized Officer upon consultation with legal counsel to the Agency, including such additions or changes as are necessary or advisable in accordance with Section 4 below, such approvals to be conclusively evidenced by the execution and delivery by such Authorized Officer of all of the Bond Documents.
4. All actions heretofore taken by the Agency and the officers and agents of the Agency with respect to the adoption of the standards, qualifications and criteria for the making and approval of the Loan and the sale and issuance of the Bonds are hereby approved, confirmed and ratified. The Executive Director, the Deputy Executive Director - Finance and Administration, the Treasurer, the Secretary and Assistant Secretaries, the Agency General Counsel and Deputy General Counsels and other officers of the Agency are hereby authorized and directed, jointly and

severally, to do any and all things, and to execute and deliver any and all documents and certificates (including, without limitation, those in connection with tax compliance matters and continuing disclosure obligations) which they may deem necessary or advisable in order to adopt the standards, qualifications and criteria for the making and approval of the Loan and to consummate the lawful issuance, sale and delivery of the Bonds and the funding of the Loan, and otherwise to implement the purposes of this Resolution both before and after the delivery of the Bonds.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel