

RESOLUTION NO. 31-2011

Adopted March 15, 2011

AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FORTY ONE MILLION AND NO/100 DOLLARS (\$41,000,000) TO ASSIST HV PARTNERS 1, LP, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF AFFORDABLE RESIDENTIAL RENTAL FACILITIES KNOWN AS HUNTERS VIEW PHASE I AT MIDDLE POINT AND WEST POINT ROADS (BLOCK 4624, LOTS 3, 4 & 9 AND BLOCK 4720, LOT 27), AUTHORIZING AND APPROVING RELATED ACTIONS AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law, constituting Health and Safety Code Section 33000 et seq. (the "Law"), the Redevelopment Agency of the City and County of San Francisco (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. The Agency is authorized by Chapter 8, commencing with Section 33750, of the Law to issue revenue bonds and execute and deliver revenue notes, the interest on which is tax-exempt under State of California and federal laws, and to make loans to finance the cost of, among other things, the acquisition and construction of multifamily residential housing developments for occupancy, in whole or in part, by persons of very low-, low- and moderate-income.
3. HV Partners 1, LP, a California limited partnership (the "Borrower"), will acquire and construct a multifamily apartment complex with 107 residential units to be known as Hunters View Phase I, located at 112 Middle Point Road (Middle Point and West Point Roads; Block 4624, Lots 3, 4 and 9, Block 4720, Lot 27), San Francisco, California (the "Project"). The general partners of the Borrower are Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation, JSCo Hunters View LLC, a California limited liability company, (managing member, John Stewart Company) and HV Amani LLC, a California limited liability company (managing member, Devine & Gong, Inc.). The Borrower has requested that the Agency execute and deliver a housing revenue

note pursuant to the Law in order to finance a portion of the costs to acquire and construct the Project.

4. The Agency, by its Resolution No. 98-2010, adopted on July 20, 2010, expressed its intention to issue multifamily housing revenue bonds on a tax-exempt basis in an amount not to exceed \$45,000,000 to finance a portion of the Project. On August 10, 2010, 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 July 28, 2010, and the Mayor of the City, as an applicable elected representative under the Code, approved the issuance of such tax-exempt bonds on August 16, 2010.
5. On September 22, 2010, the California Debt Limit Allocation Committee authorized the Agency to issue obligations on a tax-exempt basis in an amount not to exceed \$41,000,000 for the purpose of financing a portion of the Project.
6. The Agency intends to execute and deliver its Multifamily Housing Revenue Note (Hunters View Phase I), 2011 Series A, in an aggregate principal amount not to exceed \$41,000,000 (the "Note"), to evidence the Agency's obligation to repay a loan to be made to the Agency by Citibank, N.A. evidenced by a note and (the "Funding Lender"), in accordance with a Funding Loan Agreement (the "Funding Loan Agreement"), by and between the Agency and the Funding Lender. The proceeds of the Note will be used for the purpose of funding a loan, in the maximum amount of \$41,000,000, to finance the Borrower's acquisition and construction of the Project (the "Loan") pursuant to the terms and conditions of a Borrower Loan Agreement (the "Borrower Loan Agreement"), by and between the Agency and the Borrower, and pursuant to certain conditions and requirements to be set forth in a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), by and between the Agency and the Borrower. The Borrower's obligation to repay the Loan will be evidenced by a note and secured by a deed of trust which will be assigned to secure the Note pursuant to an Assignment of Deed of Trust (the "Assignment of Deed of Trust").
7. The Agency is authorized pursuant to the Law to lend and distribute monies to developers and project sponsors for the specific and special purpose of increasing and maintaining housing stock in the City for very low-, low- and moderate-income households.
8. The Borrower intends to finance the acquisition and construction of the Project using, among other sources, the proceeds of the Loan. The Note to be executed and delivered to fund the Loan will be delivered to the Funding Lender.
9. The Agency is authorized pursuant to the Law to adopt a regulation that contains standards, qualifications and criteria for the making and approval of loans. The Agency intends to adopt the standards, qualifications and criteria for the making and approval of the Loan that are set forth in the following documents (collectively, the "Regulation") 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: (i) the Funding Loan Agreement, (ii) the Borrower Loan Agreement, (iii) the Assignment of Deed of Trust, and (iv) the Regulatory Agreement.

10. All acts, conditions and things required by the Law and by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the adoption of the Regulation and the consummation of the financing represented by the Note 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 is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the adoption of such Regulation, to authorize such financing and to authorize the execution and delivery of documents related to such financing, for the purposes, in the manner and upon the terms contemplated in this Resolution.
11. Based on the analysis contained in the Final Environmental Impact Report for the Hunters View Redevelopment Project ("FEIR"), and the findings pursuant to the California Environmental Quality Act ("CEQA") adopted by the San Francisco Planning Commission ("Planning Commission") on June 12, 2008, in Motion No. 17618, and in Motion No. 17617 certifying the FEIR, and in Motion No. 17621 approving the conditional use authorization for the Project and establishing a Mitigation Monitoring Program that attaches mitigation measures identified in the FEIR to the conditional use authorization, the Agency Commission adopted findings in accordance with CEQA that the Amended and Restated Loan Agreement for Phase I Predevelopment and Construction of Very Low-Income Rental Units is an Implementing Action for the construction of the Project, pursuant to the approvals granted by the Planning Commission, in Agency Resolution No. 211-2008, dated September 16, 2008. Agency staff has determined the issuance of Multifamily Mortgage Revenue Note is another Implementing Action for construction of the project, pursuant to the approvals granted by the Planning Commission. Staff in making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the FEIR. Documents related to the Implementing Action and the FEIR 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.

FINDINGS

The Commission hereby finds and determines that the adoption of the Regulation for the making and approval of the Loan and the use of the Loan proceeds to assist in the financing of the Project will be of benefit to the Agency.


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 Final Environmental Impact Report and hereby adopts the CEQA findings set forth in Agency Resolution No. 211-2008, dated September 16, 2008.
2. Pursuant to the Law, the Agency hereby adopts the Regulation, in the forms lodged with the Agency General Counsel, 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.
3. Pursuant to the Law, the Agency hereby authorizes the execution and delivery of a note designated as the "Redevelopment Agency of the City and County of San Francisco Multifamily Housing Revenue Note (Hunters View Phase I), 2011 Series A" (the "Note"), in an aggregate principal amount not to exceed \$41,000,000 and maturing not later than June 1, 2016. The Note shall be executed and delivered pursuant to the Funding Loan Agreement. The terms of the Note shall be as set forth in the Funding Loan Agreement, as such 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 Note on behalf of the Agency in the form set forth in the Funding Loan Agreement, 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. The Note, when executed by the Agency, shall be delivered to the Funding Lender.
4. The Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Assignment of Deed of Trust (collectively, the "Financing Documents"), 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 Financing Documents 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 Financing Documents.
5. All actions heretofore taken by the officers and agents of the Agency with respect to the adoption of the Regulation 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, the 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 consummate the lawful execution and delivery of the Note and the funding of the Loan, and otherwise to implement the purposes of this Resolution both before and after the execution and delivery of the Note.

APPROVED AS TO FORM:


← James B. Morales
Agency General Counsel