RESOLUTION NO. 137-2000
ADOPTED JULY 25, 2000

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A PAYMENT OBLIGATION AGREEMENT WITH CHURCH STREET HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP WHOSE GENERAL PARTNER IS BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO GUARANTEE THE REPURCHASE OF CERTAIN MORTGAGE REVENUE BONDS TO BE ISSUED BY THE AGENCY IN CONJUNCTION WITH THE DEVELOPMENT OF 93 UNITS OF LOW INCOME FAMILY RENTAL HOUSING AT 1 CHURCH STREET IN AN AMOUNT NOT TO EXCEED $4,215,000 IN FURTHERANCE OF THE AGENCY'S HOUSING FOR PERSONS WITH AIDS PROGRAM

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (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 blighted areas in the City and County of San Francisco (“the City”).

2. The Agency is authorized pursuant to the Law to distribute monies to nonprofit developers and sponsors for the specific and special purpose of increasing and maintaining the housing stock in the City for very-low, low and moderate income households.

3. The development of permanently affordable rental units for low and very-low income households including those with at least one member who has AIDS or disabling HIV has been identified as one of the City’s highest priorities.

4. On July 17, 2000, Church Street Housing Associates, a California limited partnership whose general partner is BRIDGE Housing Corporation, a California nonprofit public benefit Corporation, (the “Developer”) purchased the Cathay Mortuary located at 1 Church Street, San Francisco, for the purpose of developing 93 units of low income family rental housing including 12 HOPWA units and a child care center (the “Development”).

5. The Developer intends to finance the construction of the Development using,
among other sources, multifamily mortgage revenue bonds, Series B, to be issued by the Agency and sold to the Bank of America (the “Bank”).

6. The Series B Bonds will be repaid with income from a Section 8 Housing Assistance Payments contract (the “HAP Contract”) with the San Francisco Housing Authority (the “Housing Authority”).

7. The HAP Contract obligates the Housing Authority to use Section 8 vouchers to pay to the Development the difference between the required tenant contribution (equal to 30% of each tenant’s income) for 31 units and the Fair Market Rent for those units as established by the U. S. Department of Housing and Urban Development (“HUD”) on an annual basis.

8. The HAP Contract is for a term of one year and will be renewed on an annual basis for 15 years unless HUD eliminates or substantially reduces the Annual Contributions Contract (“ACC”) with the Housing Authority.

9. In order to induce the Developer to borrow the Series B Bonds proceeds and the Bank to buy the Series B Bonds, the Agency has agreed to enter into an Agency Payment Obligation (the “Payment Obligation”) which requires the Agency to undertake certain payment obligations with respect to the Series B Bonds in the event that the HAP Contract is not renewed each of the 15 years with respect to at least thirty-one (31) units in the Project in accordance with and subject to the terms and conditions set forth in this Agreement.

10. If the annual HAP Contract expires and is not renewed due to HUD’s elimination or substantial reduction in the ACC, then the Agency must, at its option, either (a) loan the Borrower funds on terms and conditions substantially the same as the HOPWA loan and in an amount sufficient to repay the Series B Note, or (b) make monthly advances to the Development in an amount sufficient to offset the loss of the HAP Contract rents.

11. In return for entering into the Payment Obligation, the Development will pay the Agency $20,000 annually. These payments along with other payments owed to the Agency pursuant to residual receipts loans and land leases should be sufficient to fund fully the obligation represented by the Repayment Obligation.

**RESOLUTION**

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into an Agency Payment Obligation with Church Street Housing Associates, a California limited partnership whose general partner is Bridge Housing Corporation, a California nonprofit
public benefit corporation, and the Bank of America (the “Payment Obligation”), committing the Agency to undertake certain Payment Obligations with respect to the multifamily mortgage revenue bonds, Series B, in the event that the Housing Assistance Payments Contract is not renewed by the San Francisco Housing Authority due to the Department of Housing and Urban Development’s elimination or substantial reduction of the Annual Contributions Contract in accordance with and subject to the terms and conditions set forth in the Payment Obligation, in an amount not to exceed $925,000, plus any accrued interest, default charges and any necessary transaction costs, under certain conditions as set forth in the Payment Obligation, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

BERTHA A. ONTIVEROS
Agency General Counsel