

RESOLUTION NO. 214-2000

Adopted October 31, 2000

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,007,607 TO ASSIST AM PRESERVATION, L.P., WITH THE FINANCING OF THE ACQUISITION AND REHABILITATION OF AFFORDABLE RESIDENTIAL RENTAL FACILITIES KNOWN AS ANTONIA MANOR APARTMENTS, AND APPROVING RELATED DOCUMENTS AND AUTHORIZING RELATED ACTIONS AS PART OF THE AGENCY'S HOUSING PRESERVATION PROGRAM; 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 Part 1 of Division 24 of the Health and Safety Code of the State of California (the "Act") to issue revenue bonds and make loans to finance the cost of acquisition and rehabilitation of multifamily residential housing developments for occupancy, in part, by persons of low income.
3. The Tenderloin Neighborhood Development Corporation, a nonprofit public benefit corporation, and the general partner of AM Preservation, L.P., a California limited partnership (the "Borrower"), has requested that the Agency issue its housing revenue bonds in order to finance the acquisition and rehabilitation of a 133-unit multifamily rental housing development known as Antonia Manor Apartments (the "Project").
4. The Agency, by its Resolution No. 115-2000, adopted on June 27, 2000, expressed its intention to issue mortgage revenue bonds in one or more series in an amount of not to exceed \$9,000,000 for such purposes (the "Bonds"). On July 25, 2000, the Deputy Executive Director – Finance and Administration of the Agency held a public hearing on the proposed issuance of the Bonds, as required under the Internal Revenue Code of 1986, as amended (the "Code"), following published notice of such hearing on July 11, 2000 and on July 18, 2000, and the Mayor of the City and County of San Francisco, as an applicable elected representative under the Code, approved the issuance of the Bonds on July 25, 2000.

6. The Agency intends to issue its Redevelopment Agency of the City and County of San Francisco Multifamily Housing Revenue Bonds (Antonia Manor Apartments) in three series designated, respectively, the Series 2000A Bonds (the "Series A Bonds"), the Series 2000B Bonds (the "Series B Bonds"), and the Series 2000C Bonds (the "Series C Bonds", and, together with the Series A Bonds and the Series B Bonds, the "Bonds"). The Agency intends to loan the proceeds of the Bonds to the Borrower (the "Loan") pursuant to the terms and conditions of a Loan Agreement and pursuant to certain conditions and requirements to be set forth in a Regulatory Agreement and Declaration of Restrictive Covenants.
7. 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 and County of San Francisco for very-low, low- and moderate-income households.
8. The expiration of project-based Section 8 contracts poses a serious threat to San Francisco's affordable housing stock. Many of the housing developments with expiring Section 8 contracts are located in redevelopment project areas of the Agency. The Agency desires to preserve residential rental developments with Section 8 contracts as affordable housing by lending or expending tax increment housing set-aside funds in connection with such preservation.
9. The Borrower intends to finance the acquisition and rehabilitation 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 Citibank, F.S.B. (the "Bank").
10. As an inducement to the Bank to buy the Series B Bonds, the Agency will enter into an Agency Standby Note Payment Agreement, so that if the Borrower defaults on repayment of the portion of the Loan securing the repayment of the principal of and interest on the Series B Bonds and such default is a result of the reduction or termination of Section 8 rental assistance payments theretofore provided for the Project, the Agency will either make monthly payments for the benefit of the Borrower equal to the reduction or loss in the Section 8 rental assistance payments or repay in full the portion of the Loan attributable to the Series B Bonds. There are funds available in the Agency's Housing Program budget to fund fully the amounts represented by this proposed obligation.
11. All acts, conditions and things required by the Act and 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 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 is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such financing and to authorize the execution and delivery of documents related thereto, for the purposes, in the manner and upon the terms contemplated in this Resolution.

FINDINGS

1. The Commission hereby finds and determines that the use of low and moderate income housing funds and other funds of the Agency to assist in the financing of the Project 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. Pursuant to the Act, the Agency hereby authorizes the issuance and delivery of the Series A Bonds designated as the "Redevelopment Agency of the City and County of San Francisco Multifamily Housing Revenue Bonds (Antonia Manor Apartments), Series 2000A," "Redevelopment Agency of the City and County of San Francisco Multifamily Housing Revenue Bonds (Antonia Manor Apartments), Series 2000B" and the Series C Bonds designated as the "Redevelopment Agency of the City and County of San Francisco Multifamily Housing Revenue Bonds (Antonia Manor Apartments), Series 2000C." The Bonds shall be in an aggregate principal amount of not to exceed \$8,007,607, with the principal amounts of each series to be as set forth in the Bond Administration Agreement, as referred to below, 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 Series A Bonds, the Series B Bonds and the Series C Bonds (collectively, the "Bonds") on behalf of the Agency by manual or facsimile signature, in the form set forth in the Bond Administration Agreement (as defined below), 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 Bond Administration Agreement. The Bonds, when executed, shall be delivered to or upon the order of the Bank.
2. The Bond Administration Agreement, dated as of November 1, 2000, by and among the Agency, Citibank, N.A., as Transfer Agent, and the Bank, as Bondowner's Agent, the Loan Agreement, dated as of November 1, 2000, by and between the Agency and the Borrower, the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of November 1, 2000, by and between the Agency and the Borrower (collectively, the "Bond Documents"), and the Agency Standby Note Payment Agreement, dated as of November 1, 2000, by and between the Agency and the Borrower (the "Payment Obligation"), in the forms lodged with Agency General Counsel, are hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and in behalf of the Agency to execute and deliver the Bond Documents and the Payment Obligation 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 3 below, such approvals to be conclusively evidenced by the execution and delivery thereof.

3. All actions heretofore taken by the officers and agents of the Agency with respect to 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 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.

APPROVED AS TO FORM:


for Bertha A. Ontiveros
Agency General Counsel