

**RESOLUTION NO. 240-2000**

Adopted November 28, 2000

**AUTHORIZING AN AGENCY STANDBY PAYMENT AGREEMENT TO  
GUARANTEE THE REPURCHASE OF AND/OR DEBT SERVICE  
PAYMENT ON CERTAIN MULTIFAMILY HOUSING REVENUE  
BONDS ON BEHALF OF MISSION BAY AFFORDABLE HOUSING  
LIMITED PARTNERSHIP IN AN AMOUNT NOT TO EXCEED  
\$4,286,000 PLUS APPLICABLE INTEREST, AND APPROVING AND  
AUTHORIZING RELATED ACTIONS AND DOCUMENTS FOR THE  
DEVELOPMENT OF PARCEL 2 OF BLOCK N2; MISSION BAY  
NORTH REDEVELOPMENT PROJECT AREA**

**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 Agency undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
2. On September 17, 1998, the Agency Commission approved the Mission Bay North and South Redevelopment Plans and Owner Participation Agreements (the "OPAs") with Catellus Development Corporation ("Catellus"). Under the terms of the OPAs, Catellus is obligated to transfer "Agency Affordable Housing Parcels" to the Agency in each major phase at no cost for the development of the "Agency Sponsored Affordable Housing Units." Parcel 2 of Block N2 represents the first Agency Affordable Housing Parcel contributed by Catellus. Catellus is generally required to contribute land to the Agency as it proceeds with its own developments. The Agency's Mission Bay Affordable Housing Policy (also approved by the Commission on September 17, 1998) states that the type of housing to be built on the Agency land will be determined as part of the City's affordable housing policy and that the Agency will select nonprofit developers for these sites through a Request for Qualifications process.
3. On June 29, 1999, the Commission authorized the Agency to enter into Exclusive Negotiations with Mission Housing Development Corporation ("MHDC") leading to the lease and development of Parcel 2 of Block N2 in the Mission Bay North Redevelopment Project Area (the "Site"). MHDC agreed to negotiate in good faith to enter into an agreement for the disposition and development of the Site during the Exclusive Negotiation Period. The development will provide affordable rental housing for 100 households earning 20% to 50% of the Area Median Income or approximately \$17,500 to \$37,450 for a family of four (the "Project").
4. In order to utilize an allocation of 4% Low Income Housing Tax Credits, MHDC has created Mission Bay Affordable Housing Limited Partnership (the "Partnership"), with MHCD, or an affiliate, acting as its managing general partner.

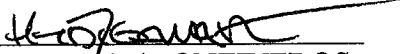
5. The Project will, in part, be financed through the sale of tax-exempt mortgage revenue bonds (the "Bonds"), for which Citibank, FSB (the "Bank") is providing a Letter of Credit to improve marketability.
6. In order to maximize the size of the Bonds, the Partnership has requested that the Agency enter into an Agency Standby Repayment Agreement which would guarantee repayment of debt service to the Bank and/or redemption of bonds in certain circumstances related to the loss of Section 8 income in order for the Partnership to avoid a default.
7. The Agency wishes to enter into an Agency Standby Repayment Agreement, for which the Agency's maximum contingent liability will be \$4,286,000 plus applicable interest.
8. At its meeting on November 3, 2000, the Citywide Affordable Housing Loan Committee recommended approval of the Agency Standby Repayment Agreement.

### **RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director or his designee is authorized to:

1. Enter into an Agency Standby Payment Agreement with Mission Bay Affordable Housing Partnership, a California limited partnership, with Mission Housing Development Corporation or its affiliate acting as the managing general partner, and Citibank, FSB to guarantee the repurchase of and/or debt service payment on certain Multifamily Housing Revenue Bonds, substantially in the form lodged with Agency General Counsel; and
2. Enter into any and all ancillary documents or take any additional actions necessary to consummate the transactions authorized by this Resolution, in forms to be approved by Agency General Counsel.

**APPROVED AS TO FORM:**

  
ca BERTHA A. ONTIVEROS  
Agency General Counsel