

## **RESOLUTION NO. 8-2002**

Adopted January 29, 2002

**AUTHORIZING A SECOND AMENDMENT TO THE HOPWA CAPITAL LOAN AGREEMENT FOR CHURCH STREET HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, WHOSE GENERAL PARTNER IS BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO MODIFY THE TERM OF THE LOAN FROM 60 TO 55 YEARS AND TO MAKE CERTAIN OTHER TECHNICAL CORRECTIONS IN CONJUNCTION WITH THE CONSTRUCTION OF 12 VERY LOW INCOME HOPWA UNITS IN THE 93 UNIT LOW INCOME RENTAL DEVELOPMENT AT 1 CHURCH STREET**

### **BASIS FOR RESOLUTION**

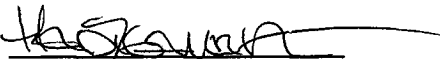
1. The Redevelopment Agency of the City and County of San Francisco ("Agency") administers the U.S. Department of Housing and Urban Development ("HUD") Housing Opportunities for Persons with AIDS ("HOPWA") Program for San Francisco.
2. The Agency and Bridge Housing Corporation, a California nonprofit public benefit corporation ("Developer") entered into a HOPWA Capital Loan Agreement as of June 1, 1999, which was amended by the Agency Commission by Resolution No. 138-2000 on July 25, 2000 (the "HOPWA Loan").
3. Under the terms of the HOPWA Loan, the Agency shall loan up to \$2,000,000 in HOPWA funds for use in the predevelopment and acquisition of twelve (12) HOPWA rental housing units (the "HOPWA Units") to be developed as part of a ninety-three (93) unit rental development for low and very low income households, and a child care center at 1 Church Street (the "Development").
4. On July 14, 2000, the Developer assigned its rights and obligations under the HOPWA Loan and all of its other financing to Church Street Housing Associates, a California limited partnership (the "Partnership") whose general partner is a nonprofit public benefit affiliate of the Developer.
5. On July 17, 2000, the Partnership purchased the Cathay Mortuary located at 1 Church Street for the purpose of constructing the Development.
6. On July 25, 2000, the Agency Commission authorized the issuance of tax exempt multifamily mortgage revenue bonds (the "Bonds"), a bond repurchase guaranty for the Series B Bonds, and an amendment to the HOPWA Loan to conform its terms to the HOME Loan approved by the City and County of San Francisco.
7. On August 3, 2000, the Agency issued the Bonds allowing the Developer to begin construction in November 2000.

8. The Partnership is now requesting to shorten the term of the HOPWA Loan from 60 to 55 years to comply with the limited partner investor's interpretation of Internal Revenue Service safe harbor rulings with respect to the criteria of bona fide loans.
9. The Partnership is also requesting to modify the approved budget by increasing the construction contingency line item by \$200,000 to pay for off-site costs and to allow for adjustments between line items on the condition that the Partnership meets the conditions imposed by the Citywide Affordable Housing Loan Committee at its meeting on January 14, 2002.
10. The requested modification to the HOPWA Loan will not supersede or otherwise affect the provisions in the HOPWA Loan relating to the affordability and occupancy of the HOPWA Units or affect the amount of the HOPWA Loan.

### **RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Second Amendment to the HOPWA Capital Loan Agreement for Church Street Apartments, 1 Church Street, with Church Street Housing Associates, a California limited partnership, to modify the loan term from 60 to 55 years, make other technical changes to permit the limited partner investor to enter the Partnership, and to increase the amount of the construction contingency, subject to all of the requirements imposed by the Citywide Affordable Housing Loan Committee at its meeting on January 14, 2002, unless waived or modified by the Agency Executive Director in her sole discretion, in substantially the form lodged with the Agency General Counsel.

**APPROVED AS TO FORM:**

  
Bertha A. Ontiveros  
Agency General Counsel