

RESOLUTION NO. 28-2002

Adopted February 19, 2002

**EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY
MORTGAGE REVENUE BONDS, OR NOTES IN ONE OR MORE SERIES, IN AN
AMOUNT NOT TO EXCEED \$11,000,000 TO FINANCE THE REHABILITATION
OF 72 UNITS OF VERY LOW INCOME SENIOR HOUSING AT THE LELAND
HOTEL LOCATED AT 1301-1327 POLK STREET; AGENCY CITYWIDE
TAX INCREMENT AFFORDABLE HOUSING PROGRAM**

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is a public body organized and existing pursuant to Part 1 of Division 24 of the California Health and Safety Code (the "Law") and is authorized by Chapter 8 of the Law to finance residential construction and to issue mortgage revenue bonds to pay the cost of financing such residential construction.
2. Mercy Housing California, a California nonprofit public benefit corporation (together with its assignee, Mercy Housing California XVIII, a California limited partnership) (the "Developer"), has requested that the Agency issue and sell its mortgage revenue bonds pursuant to the Law in an amount not to exceed \$11,000,000 to finance a project of approximately 72 units, to be located at 1301-1327 Polk Street, on the northwest corner of Polk and Bush Streets (the "Project").
3. The issuance of the bonds on a tax-exempt basis will require an allocation from the California Debt Limit Allocation Committee, after application from the Agency in accordance with the application process and competitive award of such allocation.
4. Sections 1.103-8(a)(5) and 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Treasury Regulations") require an issuer of tax-exempt obligations to declare its reasonable official intent to reimburse, from proceeds of such obligations, expenditures made prior to the issuance of such obligations.
5. The Agency wishes to declare its intention to authorize the issuance of the bonds in the increased amount when requested by the Developer, on terms and conditions to be determined at such time by agreement between the Agency and the Developer.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

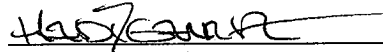
1. Subject to negotiation to the satisfaction of the Agency of financing and other Project related terms and conditions, the Agency expresses its intent to issue mortgage revenue bonds in an amount not to exceed \$11,000,000 to provide financing to the Mercy Housing California, a California nonprofit public benefit corporation (together with its assignee, Mercy

Housing California XVIII, a California limited partnership) (“Developer”) for the Project in the form of construction and/or permanent loans.

2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. This expression of intent does not give the Developer any claim or rights against the Agency or any entitlement to the financing described above. The failure of the Agency to provide such financing, for any reason whatsoever or for no reason, shall not create any liability of the Agency to the Developer. Nevertheless, the Agency acknowledges that the possible availability of financing from the Agency is an inducement to the Developer to finance the rehabilitation of 72 units of very low income senior housing at the Leland Hotel, located at 1301-1327 Polk Street.

3. The Executive Director, Deputy Director, Finance and Administration, Treasurer, Secretary and Assistant Secretaries, Agency General Counsel, Deputy General Counsel and other officers are authorized to execute and deliver any and all documents and to take any and all other actions necessary to consummate the transactions described in this Resolution; including making application to the California Debt Limit Allocation Committee, paying application fees and posting any required performance deposit; and the execution and delivery of any such document, fee or deposit shall be conclusive evidence of its approval.

APPROVED AS FORM:


for Bertha A. Ontiveros
Agency General Counsel