

RESOLUTION NO. 29-2002

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 IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$13,300,000 TO FINANCE THE REHABILITATION OF RESIDENTIAL FACILITIES KNOWN AS THE DEREK SILVA COMMUNITY RESIDENCE, 1580-98 MARKET STREET; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") is a public body organized and existing pursuant to California Health and Safety Code Section 33000, *et seq.*, (the "Redevelopment Law") and is authorized by Chapter 8, beginning at California Health and Safety Code Section 33750, of the Redevelopment Law to finance residential construction and to issue mortgage revenue bonds to pay the cost of financing such residential construction.
2. Since 1995, Catholic Charities of the Archdiocese of San Francisco, a California nonprofit corporation ("CCASF"), has operated the Derek Silva Community Residence under a master lease with the owner, Dhirubhai Amin, consisting of 61 residential units and approximately 6,400 square feet of ground floor commercial space, located at 1580-98 Market Street in San Francisco, California ("DSC"). DSC is affordable supportive housing for very low-income persons living with HIV/AIDS. Recently the opportunity to purchase DSC arose. CCASF partnered with Mercy Housing California XVIII, a California limited partnership (the "Developer"), to acquire, renovate and rehabilitate DSC to preserve the affordability level for current and future residents.
3. On December 4, 2001, the Agency Commission by Resolution No. 212-2001 authorized the Agency to enter into a Housing Opportunities for Persons With AIDS Capital Loan Agreement with the Developer, in an amount not to exceed \$2,300,000 to finance a portion of the acquisition cost of DSC.
4. The Agency now wishes to issue and sell its mortgage revenue bonds pursuant to the Redevelopment Law in an amount not to exceed \$13,300,000 to finance a portion of the costs of renovation and rehabilitation of DSC (the "Project").
5. Upon completion of the Project, the Developer will continue to operate Derek Silva Community Residence as affordable supportive housing for persons living with HIV/AIDS with CCASF providing on-site supportive services to residents through a master lease agreement between the Developer and CCASF.
6. The Agency wishes to declare its official intention, within the meaning of Treasury Regulations Section 1.150-2, to reimburse expenditures for the Project with the proceeds of the issuance of bonds.

7. 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 (including payment of application fees and posting of a performance deposit in an amount up to 1% of the principal amount of the requested amount of bond allocation).

8. The final terms and conditions of the bond issuance will be determined by agreement between the Agency and the Developer or its assignee.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that subject to negotiation of an agreement with the Developer to the satisfaction of the Agency of financing and other Project related terms and conditions:

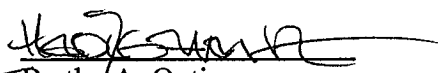
1. The Agency expresses its official intent to issue mortgage revenue bonds or notes in one or more series in an amount not to exceed \$13,300,000 to provide financing (including reimbursement of amounts previously expended as provided in Treasury Regulations Section 1.150-2) to the Developer or its assignee, for the Project in the form of construction and/or permanent loans.

2. The final terms and conditions of the bond issuance will be determined by agreement between the Agency and the Developer. If the parties are not successful in reaching an agreement, the Agency will negotiate the terms and conditions with an alternate developer designated by the Agency.

3. 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 undertake the Project in the manner described by the Agency.

4. The Executive Director, 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 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 TO FORM:


for Bertha A. Ontiveros
Agency General Counsel