

RESOLUTION NO. 30-2002

Adopted February 19, 2002

AUTHORIZING A THIRD AMENDED AND FIRST RESTATED SAN FRANCISCO REDEVELOPMENT AGENCY MISSION BAY AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH MISSION BAY AFFORDABLE HOUSING LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, TO INCREASE THE LOAN AMOUNT BY AN ADDITIONAL \$100,000 TO FUND COSTS RELATED TO THE CHILD CARE CENTER FOR A TOTAL AMOUNT NOT TO EXCEED \$6,317,661 TO FUND ADDITIONAL COSTS RELATED TO CHILD CARE CENTER CONSTRUCTION IN CONJUNCTION WITH THE DEVELOPMENT OF 100 RENTAL UNITS FOR VERY LOW-INCOME HOUSEHOLDS ON 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 Redevelopment Agency of the City and County of San Francisco ("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, pursuant to Resolution Nos. 185-98 and 188-98, approved the Mission Bay North and South Redevelopment Plans and Owner Participation Agreements (the "OPAs") with Catellus Development Corporation, a California 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 pursuant to Resolution No. 194-98 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. The Agency and the Borrower entered into a Mission Bay North Affordable Housing Program Predevelopment Loan Agreement (the "Loan Agreement") dated as of October 6, 1999, as evidenced by a Promissory Note of the same date in the amount of \$998,886 for predevelopment and pre-construction expenses related to the development of 100 affordable family rental units with childcare, community and neighborhood serving retail space on Parcel 2 of Block N2, a 1.1 acre site fronting Berry and King Streets between Third and Fourth Streets (the "Site") as more particularly described in Attachment A, attached hereto. The development will provide affordable rental housing for 100 households earning up to 50% of the Area Median Income (the "Development").
4. In order to utilize an allocation of 4% Low Income Housing Tax Credits, Mission Housing Development Corporation, a California nonprofit public benefit corporation, created the Mission Bay Affordable Housing Limited Partnership, a California limited

partnership (the "Partnership"), with MHDC, or an affiliate, acting as its managing general partner.

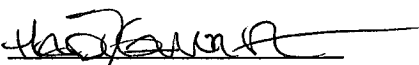
5. On June 20, 2000 by Resolution No. 93-2000 and Resolution No. 96-2000 respectively, the Commission authorized the Executive Director to enter into a \$1,000,000 HOPWA Capital Loan Agreement (the "HOPWA Loan") and a First Amendment to the Mission Bay Loan Agreement with MHDC for \$3,762,061 for a total aggregate amount under the Mission Bay Loan Agreement of \$4,760,947 (the "Mission Bay Loan Agreement") (collectively with the HOPWA Loan, the "Loan Agreements"). The Loan Agreements were subsequently assigned to the Partnership.
6. On November 28, 2000, the Agency approved a Ground Lease Agreement pursuant to Resolution No. 236-2000, a Standby Payment Agreement pursuant to Resolution No. 240-2000, the Issuance of Tax Exempt Mortgage Revenue Bonds pursuant to Resolution No. 237-2000, and a Second Amended and First Restated Loan Agreement, pursuant to Resolution No. 238-2000, increasing the aggregate principal amount of the Mission Bay Loan Agreement to the Partnership to \$6,217,661.
7. The Partnership has requested that the Mission Bay Loan Agreement be increased by \$100,000 in order to fund additional costs related to the Child Care Center shell construction. The Agency wishes to enter into a Third Amended and First Restated Loan Agreement, in the aggregate principal amount of \$6,317,661, with the Partnership.
8. At its meeting of February 1, 2002, the Citywide Affordable Housing Loan Committee recommended approval of the Third Amended and First Restated Loan Agreement.

RESOLUTION

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

1. Execute a Third Amended and First Restated Mission Bay Affordable Housing Program Loan Agreement with Mission Bay Affordable Housing Limited Partnership, a California limited partnership, with Mission Housing Development Corporation acting as the managing general partner, increasing the amount of the Mission Bay Loan Agreement by \$100,000, for a total amount not to exceed \$6,317,661 for the development of 100 rental units for very low-income households on Parcel 2 of Block N2 in the Mission Bay North Redevelopment Project Area, substantially in the form lodged with Agency General Counsel; and
2. Execute and all ancillary documents or take any additional actions necessary to consummate the transactions authorized by this Resolution, in forms to be approved by the Agency General Counsel.

APPROVED AS TO FORM:


for Bertha A. Ontiveros
Agency General Counsel