

RESOLUTION NO. 209-2002

Adopted December 10, 2002

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS, 2002 SERIES A (LELAND POLK SENIOR COMMUNITY) IN AN AGGREGATE AMOUNT NOT TO EXCEED \$10,200,000; DETERMINING AND PRESCRIBING CERTAIN RELATED MATTERS; AND APPROVING AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

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 the cost of acquisition, construction and rehabilitation of multifamily residential developments and to issue multifamily housing revenue bonds to pay the cost of such acquisition, construction and rehabilitation.

2. Mercy Housing California XVIII, a California Limited Partnership (the "Borrower"), has requested that the Agency issue bonds in order to finance the acquisition and rehabilitation of a 72-unit multifamily rental housing development located at 1301-1327 Polk Street, San Francisco, California and known as the Leland Polk Senior Community (the "Project").

3. The Agency by a resolution adopted on February 19, 2002 preliminarily expressed its intention to issue bonds in one or more series in an amount not to exceed \$11,000,000 for such purposes.

4. All acts, conditions and things required by the Law and by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such financing and to authorize the execution of documents related thereto, for the purposes, in the manner and upon the terms contemplated in this resolution.

5. The Agency hereby determines that the Swap Agreement, between the Agency and the Underwriter, as defined below, dated December 1, 2002 (the "Swap Agreement"), is designed to reduce the amount or duration of the payments and the interest rate to be paid on the bonds, thereby resulting in a lower cost of borrowing when used in combination with the issuance of the bonds or enhance the relationship between risk and return with respect to the investment or program of investment in connection with, or incident to, the Swap Agreement.

6. The Agency wishes to approve the issuance of such bonds, having the designation and maximum principal amount, as follows: \$10,200,000 Redevelopment Agency of the City and County of San Francisco Variable Rate Demand Multifamily Housing Revenue Bonds, 2002 Series A (Leland Polk Senior Community) and to prescribe certain matters relating thereto and to approve and authorize related actions and the execution and delivery of documents relating thereto.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. Pursuant to the Law, the Agency hereby authorizes the issuance and delivery of revenue bonds to be designated as "Redevelopment Agency of the City and County of San Francisco Variable Rate Demand Multifamily Housing Revenue Bonds, 2002 Series A (Leland Polk Senior Community)" in an aggregate principal amount not to exceed \$10,200,000 (the "2002 Series A Bonds"). The 2002 Series A Bonds shall be in the form set forth and otherwise in accordance with the Indenture (as hereinafter defined) and shall be executed by the manual or facsimile signature of the Executive Director of the Agency or the Deputy Executive Director, Finance and Administration of the Agency and the manual or facsimile seal of the Agency shall be impressed or reproduced thereon and attested by the manual or facsimile signature of the Secretary of the Agency.

2. The proposed form of the Indenture relating to the Bonds (the "Indenture") between the Agency and the trustee named therein (the "Trustee"), on file with the Secretary of the Agency, is hereby approved. The Executive Director, the Deputy Executive Director, Finance and Administration of the Agency and the Secretary of the Agency are each hereby authorized and directed, for and on behalf and in the name of the Agency to execute, acknowledge and deliver to the Trustee, the Indenture in substantially the form presented to this meeting, with such insertions and changes therein as the officers executing the same, with the advice of the Agency General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in said Indenture, as finally executed.

3. The proposed form of the Loan Agreement relating to the Bonds (the "Loan Agreement") among the Agency, the Trustee and the Borrower, on file with the Secretary of the Agency, is hereby approved. The Executive Director, the Deputy Executive Director, Finance and Administration of the Agency and the Secretary of the Agency are each hereby authorized and directed, for and on behalf and in the name of the Agency to execute, acknowledge and deliver to the Trustee, the Loan Agreement in substantially the form presented to this meeting, with such insertions and changes therein as the officers executing the same, with the advice of the Agency General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

4. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") among the Agency, the Trustee and the Borrower, on file with the Secretary of the Agency, is hereby approved. The Executive Director or the Deputy Executive Director, Finance and Administration of the Agency and the Secretary of the Agency

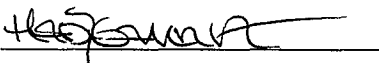
are each hereby authorized and directed for and on behalf and in the name of the Agency to execute, acknowledge and deliver to the Borrower, the Regulatory Agreement in substantially said form, with such changes therein as the officers executing the same, with the advice of the Agency General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.


5. The proposed form of Bond Purchase Contract (the "Bond Purchase Contract") among the Agency, the Borrower and E. J. De La Rosa & Co., Inc and Newman & Associates, Inc. (the "Underwriters"), on file with the Secretary of the Agency, is hereby approved. The Executive Director or the Deputy Executive Director, Finance and Administration of the Agency and the Secretary of the Agency are each hereby authorized and directed for and on behalf and in the name of the Agency to execute, acknowledge and deliver to the Borrower and the Underwriters the Bond Purchase Agreement in substantially said form, with such changes therein as the officers executing the same, with the advice of the Agency General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the aggregate principal amount of Bonds shall not exceed \$10,200,000 and the initial interest rate on the Bonds shall not exceed 7%.

6. The proposed form of Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), to be used in connection with the offer and sale of the Bonds, on file with the Secretary of the Agency, is hereby approved, and the Agency hereby ratifies and approves distribution of the Preliminary Official Statement to the Underwriter, with such additions thereto or changes therein as the Agency General Counsel may approve or recommend. The Executive Director or the Deputy Executive Director, Finance and Administration of the Agency and the Secretary of the Agency are each hereby authorized and directed for and on behalf and in the name of the Agency to execute, acknowledge and deliver to the Underwriter for distribution to purchasers of the Bonds, the final Official Statement in substantially the form of the Preliminary Official Statement, with such changes therein as the officers executing the same, with the advice of the Agency General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

7. The Executive Director, the Deputy Executive Director, Finance and Administration, the Secretary and Assistant Secretaries, the Agency General Counsel and Deputy General Counsels and other officers are hereby authorized and directed, jointly and severally, to do any and all things, and to execute and deliver any and all documents and certificates, including without limitation a tax certificate and documents related to the delivery of a letter of credit securing the Bonds, which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds, and otherwise to effectuate the purpose of this resolution.

APPROVED AS TO FORM:



 Bertha A. Ontiveros
Agency General Counsel