

RESOLUTION NO. 97-2003

Adopted June 17, 2003

**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 \$13,700,000 TO FINANCE
THE CONSTRUCTION OF 106 VERY LOW INCOME RENTAL UNITS,
GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT
OF BINDLESTIFF STUDIO, 988-992 HOWARD STREET; SOUTH OF
MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT
AREA**

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. The Public Initiatives Development Corporation, a California nonprofit public benefit corporation (the "Developer"), organized in April 2002 as a special purpose instrumentality of the Agency, is proposing to develop an affordable residential project containing 106 single room occupancy units, a replacement space for the Bindlestiff Studio and commercial space on the ground floor (the "Project") at the current site of the Plaza Hotel, 988-992 Howard Street (the "Property"), in the Agency's South of Market Earthquake Recovery Redevelopment Project Area ("Project Area").
3. On April 9, 2002, by Resolution No. 52-2002, the Agency authorized a Tax Increment Affordable Housing Program loan of \$500,000 (the "Agency Loan") with the Developer, and on April 8, 2003, by Resolution No. 47-2003, the Agency authorized an amendment that increased the Agency Loan by \$1,189,639 for a total aggregate loan amount of \$1,689,639.
4. The Agency now wishes to issue and sell its mortgage revenue bonds pursuant to the Redevelopment Law in an amount not to exceed \$13,700,000 to finance a portion of the costs of construction of the Project.
5. 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.
6. 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).

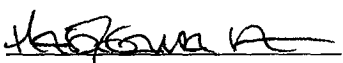
7. The final terms and conditions of the bond issuance will be determined by agreement between the Agency and the Developer or its assignee.

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 Thirteen Million Seven Hundred Thousand Dollars (\$13,700,000) to provide financing for the Project (including reimbursement of amounts previously expended as provided in Treasury Regulations Section 1.150-2) to the Public Initiatives Development Corporation, a California nonprofit public benefit corporation (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 of the Agency 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