RESOLUTION NO. 165-2003

Adopted November 4, 2003

AUTHORIZING A GROUND LEASE AGREEMENT WITH PLAZA
APARTMENTS ASSOCIATES, L.P., A CALIFORNIA LIMITED
PARTNERSHIP, FOR THE AGENCY’S INTEREST IN THE LAND AT
988-992 HOWARD STREET, FOR 55 YEARS WITH AN EXTENSION OPTION
OF 44 YEARS, FOR THE DEVELOPMENT OF 106 AFFORDABLE UNITS,
GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF
BINDLESTIFF STUDIO; SOUTH OF MARKET EARTHQUAKE
RECOVERY 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 (the “Agency”) undertakes
programs for the reconstruction and rehabilitation of blighted areas in the City and
County of San Francisco (the “City”).

2. The Agency is authorized pursuant to the Law to increase and maintain the
affordability of the housing stock in the City for affordability by very-low, low
and moderate-income households.

3. In January 22, 2001, the Agency acquired the Plaza Hotel at 988-992 Howard
Street (the “Property”), in the Agency’s South of Market Earthquake Recovery
Redevelopment Project Area (“Project Area”), as part of an overall strategy to
expand the City’s affordable housing stock and revitalize Sixth Street.

4. On April 9, 2002, the Agency authorized the incorporation of the Public
Initiatives Development Corporation (“PIDC”), a California nonprofit public
benefit corporation (the “Sponsor”), for purposes of engaging in the direct
development of affordable housing and directed the Sponsor to undertake the
redvelopment of the Property into new affordable housing, ground floor
commercial space and the replacement of Bindlestiff Studio (the “Project”).

5. PIDC established Plaza Apartment Associates, L.P, a California Limited
Partnership (the “Partnership”), to own the Project as required for tax credit
financing. PIDC will act as the Partnership’s managing general partner.

6. To assist in the Project’s dedication as long-term, stable, and affordable housing,
the Agency intends to execute a 55-year Ground Lease Agreement with the
Partnership, with an extension option of 44 years.
BASIS FOR RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a Ground Lease Agreement with Plaza Apartments Associates, L.P., a California Limited Partnership, as to the Agency's interest in the land at 988-992 Howard Street, for 55 years with an extension option of 44 years, for the development of 106 affordable units, ground floor commercial space and the replacement of Bindelstiff Studio in the South of Market Earthquake Recovery Redevelopment Project Area, substantially in the form lodged with Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel