

## **RESOLUTION NO. 185-2003**

Adopted December 2, 2003

**AUTHORIZING A FIRST AMENDED AND RESTATED  
SUBORDINATED PROMISSORY NOTE WITH 1550  
SUTTER ASSOCIATES, A CALIFORNIA LIMITED  
PARTNERSHIP, MODIFYING THE REPAYMENT TERMS  
AND OBLIGATIONS, IN AN AMOUNT NOT TO EXCEED  
\$300,000, A FIRST AMENDMENT TO THE TAX  
REGULATORY AGREEMENT, A FIRST SUPPLEMENT  
TO TRUST INDENTURE, A FIRST SUPPLEMENT TO  
LOAN AGREEMENT AND ALL RELATED DOCUMENTS  
AND ACTIONS, ALL IN CONNECTION WITH THE  
RESTRUCTURING OF THE AGENCY'S \$34,135,000  
RESIDENTIAL FACILITY REVENUE BONDS  
(COVENTRY PARK PROJECT), SERIES 1996A AND  
1996B; WESTERN ADDITION REDEVELOPMENT  
PROJECT AREA A-2**

### **BASIS FOR RESOLUTION**

1. On December 13, 1996, the Redevelopment Agency of the City and County of San Francisco (the "Agency") issued Residential Facility Revenue Bonds Series 1996A, \$34,135,000 aggregate principal amount tax-exempt bonds, and Series 1996B, \$1,700,000 aggregate principal amount taxable bonds (collectively the "Bonds") to finance residential facilities at the Coventry Park Apartments senior housing development at 1550 Sutter Street (the "Development") in the Western Addition Redevelopment Project Area A-2.
2. As part of the bond issuance process, the Agency made a loan to 1550 Sutter Associates, a California Limited Partnership (the "Developer"), for issuance costs related to the Bonds in the principal amount of \$300,000 and evidenced by a subordinated note (the "Agency Subordinated Note").
3. The Development has consistently failed to meet financial expectations.
4. The Agency Subordinated Note was due and payable on December 13, 2001.
5. As part of a financial workout, the Bonds were acquired by a single Bondholder.
6. The Developer has requested that the Agency participate in the financial workout by agreeing to restructure the repayment of the Agency Subordinated Note and extend its term to May 31, 2008.

7. The Developer has agreed to extend the Development's affordability requirements from 2004 to 2053. This extension will be accomplished through the First Amendment to the Tax Regulatory Agreement which was executed by the Agency, the trustee and the Developer at the time the Bonds were issued.
8. In connection with the issuance of the Bonds, the Agency entered into a loan agreement (the "Loan Agreement") with the Developer under which the Agency loaned the proceeds of the Bonds to the Developer, to be used to finance a portion of the costs of the Development, and the Developer delivered its promissory note with respect to the Bonds (as amended from time to time, the "1996 Note") to the Agency to evidence the Developer's obligation to repay the loan at the times and in the installments sufficient to provide the Agency with money to pay the debt service on the Bonds.
9. In order that the terms of the Bond documents reflect this restructuring, it will be necessary to amend the Trust Indenture between the Agency and the Trustee, the Loan Agreement between the Agency and the Developer (under which the Developer's repayment of Bond proceeds constitutes security for the Bonds), and other related documents.
10. The Agency now desires to execute a First Amended and Restated Agency Subordinated Promissory Note, in an amount not to exceed \$300,000, modifying the repayment terms and obligations of the note, a First Amendment to the Tax Regulatory Agreement, First Supplement to Trust Indenture, First Supplement to Loan Agreement and related documents as part of the financial restructuring of the Coventry Park Apartments.

## **RESOLUTION**

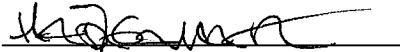
**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that:

1. The First Amended and Restated Agency Subordinated Promissory Note, in an amount not to exceed \$300,000, First Amendment to the Tax Regulatory Agreement, First Supplement to Trust Indenture, First Supplement to Loan Agreement and related documents are approved substantially in the forms lodged with the Agency General Counsel, and the Executive Director and the Deputy Executive Director, Finance, are each, acting alone, hereby authorized and directed to execute and deliver each of these documents on behalf of the Agency as so approved, with such changes, approved by the officer executing such documents, as may hereafter become necessary or appropriate, the execution of any such document conclusively evidencing such approval.
2. The Agency authorizes and directs the Executive Director, the Agency's General Counsel, the Deputy Executive Director, Finance and all officers and employees of the Agency to take all actions and execute and deliver, on behalf of the Agency, such other documents, certificates, instruments and opinions, and take

such other actions (including the publication of notice and the conduct of a hearing pursuant to Section 147(f) of the Internal Revenue Code), as may be necessary or appropriate, and to in all other ways give full effect to the First Amended and Restated Agency Subordinated Promissory Note, First Amendment to the Tax Regulatory Agreement, First Supplement to Trust Indenture, First Supplement to Loan Agreement and related documents.

3. The Agency finds and determines that the documents and actions authorized above are of benefit to the Project Area and the City as a whole, and that the consummation of the transactions described in such documents serves an essential public purpose.

**APPROVED AS TO FORM:**

  
for James B. Morales  
Agency General Counsel