RESOLUTION NO. 103-2004

Adopted September 7, 2004

AUTHORIZING A SECOND AMENDMENT TO AN AMENDED AND RESTATED TAX INCREMENT AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH PLAZA APARTMENTS ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, TO CHANGE THE DEFERRED RATE OF INTEREST FROM 3% TO 2%, ON THE LOAN OF $11,200,518 FOR THE PREDEVELOPMENT AND 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. California Redevelopment Law (Health and Safety Code, Section 33000, et seq.) (the “Law”), requires a Redevelopment Agency to set aside 20% of its tax increment funds for purposes of developing affordable housing.

2. The Redevelopment Agency of the City and County of San Francisco (the “Agency”) administers the tax increment funds for affordable housing projects.

3. On April 9, 2002, by Resolution No. 52-2002, the Agency authorized a Tax Increment Affordable Housing Program Predevelopment Loan of $500,000 (the “Agency Loan”) with Public Initiatives Development Corporation, a California nonprofit public benefit corporation (“PIDC”), for the construction of 106 very low income rental units, ground floor commercial space and the replacement of Bindlestiff Studio (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 (the “Project Area”).

4. On April 8, 2003, by Resolution No. 47-2003, the Agency authorized a first amendment to the Agency Loan that increased the loan amount by $1,189,639 for a total aggregate loan amount of $1,689,639.

5. On June 17, 2003, by Resolution No. 98-2003, the Agency authorized a second amendment to the Agency Loan that increased the loan amount by $810,361 for a total aggregate loan amount of $2,500,000.

6. On July 22, 2003, by Resolution No.122-2003, the Agency authorized an Amended and Restated Agency Loan Agreement that increased the loan amount by $8,422,440 for a total aggregate loan amount of $10,922,440.
7. On September 16, 2003, by Resolution No. 150-2003, the Agency authorized a first amendment to the Amended and Restated Agency Loan Agreement that increased the loan amount by $278,078 for a total aggregate loan amount of $11,200,518.

8. On April 14, 2004, the PIDC assigned its rights and delegated its obligations under the Amended and Restated Agency Loan Agreement to Plaza Apartments Associates, a California limited partnership (the "Partnership") for purposes of financing the Project with Low Income Housing Tax Credits.

9. The Agency now desires to amend the Amended and Restated Agency Loan Agreement to reduce the interest rate by 1%, from 3% to 2%, as requested by the Partnership to reasonably limit its liability at the end of the tax credit period.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a second amendment to the Amended and Restated Tax Increment Affordable Housing Program Loan Agreement, with Plaza Apartments Associates, a California limited partnership, to change the interest rate on the loan from 3% to 2%, for the predevelopment and construction of 106 very low income rental units, ground floor commercial space, and the replacement of Bindlestiff Studio at 988-992 Howard Street, in the South of Market Earthquake Recovery Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel