RESOLUTION NO. 80-2005

Adopted May 17, 2005

AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST
INDENTURE, A FINANCING AGREEMENT AND A REGULATORY
AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS
RELATING TO VARIABLE RATE DEMAND MULTIFAMILY
HOUSING REVENUE BONDS (MERCY TERRACE PROJECT), SERIES
2005A, AND AUTHORIZING THE EXECUTION AND DELIVERY OF
AND APPROVING OTHER RELATED DOCUMENTS AND APPROVING
OTHER RELATED ACTIONS IN CONNECTION THERewith;
CITYWIDE AFFORDABLE HOUSING PROGRAM

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 slums and blighted areas in
the City and County of San Francisco.

2. The Agency is authorized by Chapter 7.5, commencing with Section 33740, of
Part 1 of Division 24 of the Health and Safety Code of the State of California (the
“Act”) to issue revenue bonds and make loans to finance the cost of acquisition,
construction and rehabilitation of multifamily residential housing developments
for occupancy, in part, by persons of very low and low income.

3. Mercy Terrace LLC, a California limited liability company (the “Borrower”), has
requested that the Agency issue its housing revenue bonds in order to finance the
acquisition of a 158 unit apartment project known as Mercy Terrace located at
333 Baker Street in San Francisco (the “Project”).

its intention to issue tax-exempt mortgage revenue bonds in one or more series in
an amount of not to exceed $16,000,000 for such purposes. On May 3, 2005, the
Agency held a public hearing on the proposed issuance of such bonds, as required
under the Internal Revenue Code of 1986, following published notice of such
hearing on April 16, 2005, and the Mayor of the City and County of San
Francisco, as the "applicable elected representative", approved the issuance of
such bonds on or before May 16, 2005.

5. The Agency intends to issue its Variable Rate Multifamily Housing Revenue
Bonds (Mercy Terrace Project), Series 2005A (the “Bonds”) and loan the
proceeds thereof to the Borrower. The payment of the principal and purchase
price of, and interest on, the Bonds will be supported by a direct pay credit facility issued by Fannie Mae (the "Credit Provider"). The Agency intends to sell the Bonds to Newman and Associates, A Division of GMAC Commercial Holding Capital Markets Corporation (the "Underwriter"), pursuant to a Bond Purchase Agreement among the Agency, the Borrower and the Underwriter (the "Bond Purchase Agreement").

RESOLUTION

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

1. Pursuant to the Act, 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 Multifamily Housing Revenue Bonds (Mercy Terrace Project), Series 2005A” (the "Bonds") in an aggregate principal amount not to exceed $14,500,000. The Executive Director, Deputy Executive Director-Finance and Administration, Deputy Executive Director-Housing, and the Secretary of the Agency (each an “Authorized Officer”), each acting alone, are hereby authorized and directed to execute the Bonds for and on behalf of the Agency by manual or facsimile signature, in the form set forth in the Trust Indenture (mentioned below), with such changes, deletions and insertions as may be approved by such Authorized Officer upon consultation with legal counsel to the Agency, such approvals being conclusively evidenced by the execution and delivery thereof, and the Authorized Officers, each acting alone, are hereby authorized and directed to attest the Bonds in said form and otherwise in accordance with the Indenture. The Bonds, when executed, shall be delivered to or upon the order of the Trustee.

2. The Trust Indenture, by and between the Agency and U.S. Bank National Association (the “Trustee”), the Financing Agreement, by and among the Agency, the Borrower and the Trustee, the Regulatory Agreement and Declaration of Restrictive Covenants, by and among the Agency, the Borrower and the Trustee (collectively, the “Bond Documents”), the Bond Purchase Agreement and the Assignment and Intercreditor Agreement among the Credit Provider, the Agency and the Trustee and acknowledged by the Borrower, substantially in the forms lodged with the Agency General Counsel, are hereby approved. The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Agency to execute and deliver the Bond Documents, the Bond Purchase Agreement and the Assignment and Intercreditor Agreement in such forms, with such changes, additions or deletions as may be approved by such Authorized Officer upon consultation with legal counsel to the Agency.
3. The Official Statement, substantially in the form lodged with the Agency General Counsel, is hereby approved. The Agency hereby authorizes the distribution of the Official Statement, in either preliminary or final form, to potential purchasers of the Bonds, provided that the Underwriter shall ensure that all purchases of the Bonds receive copies of the final Official Statement. The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Agency to execute and deliver the Official Statement in such form, with such changes, additions or deletions as may be approved by such Authorized Officer and legal counsel to the Agency.

4. All actions heretofore taken by the officers and agents of the Agency with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

5. The Executive Director, Deputy Executive Director-Finance and Administration, Deputy Executive Director-Housing, Secretary and Assistant Secretaries, Agency General Counsel and Deputy General Counsels and other officers of the Agency, including the Authorized Officers, are hereby authorized and directed, jointly and severally, to do any and all things, including, without limitation, authorizing the distribution of a remarketing statement and “deeming final” information relating to the Agency included therein, and to complete, execute and deliver any and all documents and certificates, including, without limitation, the Trust Indenture, the Financing Agreement, the Regulatory Agreement and Declaration of Restrictive Covenants, the Bond Purchase Agreement, the Assignment and Intercreditor Agreement and a tax certificate, which they may deem necessary or advisable in order to consummate the lawful remarketing of the Bonds in connection with the delivery of an Alternate Credit Facility, and otherwise to implement the purposes of this Resolution.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel