RESOLUTION NO. 174-2005

Adopted November 1, 2005

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $12,500,000 TO ASSIST BANNEKER HOMES PARTNERS, L.P., WITH THE FINANCING OF THE ACQUISITION AND REHABILITATION OF AFFORDABLE RESIDENTIAL RENTAL FACILITIES KNOWN AS BANNEKER HOMES APARTMENTS AT 765 FULTON STREET AND AUTHORIZING AND APPROVING RELATED ACTIONS AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law, constituting 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 (the “City”).

2. The Agency is authorized by Chapter 8, commencing with Section 33750, of Part 1 of Division 24 of the Health and Safety Code of the State of California (the “Act”) to issue revenue bonds, the interest on which is tax-exempt under State of California and federal laws and make loans to finance the cost of, among other things, the acquisition and rehabilitation of multifamily residential housing developments for occupancy, in part, by persons of very low and low income.

3. Banneker Homes Partners, L.P., a California limited partnership (the “Borrower”), will acquire from Banneker Homes, Inc., a California nonprofit public benefit corporation (the “Seller”), a multifamily apartment complex with 108 residential units located within the Western Addition Redevelopment Project Area A-2, known as 765 Fulton Street, San Francisco, California (the “Project”). The general partners of the Borrower are Banneker Homes, LLC, a California limited liability company, as managing general partner, and Banneker Homes Partners, LLC, a California limited liability company, as administrative general partner. The Borrower has requested that the Agency issue its housing revenue bonds pursuant to the Law in order to finance a portion of the costs to acquire and rehabilitate the Project.

4. The Agency, by its Resolution No. 99-2005, adopted on June 7, 2005, expressed its intention to issue multifamily housing revenue bonds on a tax-exempt basis in an amount not to exceed $12,500,000 to finance a portion of the Project. On May 24, 2005, the Agency held a public hearing on the proposed issuance of such bonds.
tax-exempt bonds, as required under the Internal Revenue Code of 1986, as amended (the “Code”), following published notice of such hearing on May 14, 2005 and on May 21, 2005, and the Mayor of the City and County of San Francisco, as an applicable elected representative under the Code, approved the issuance of such tax-exempt bonds on June 21, 2005.

5. On July 20, 2005, the California Debt Limit Allocation Committee awarded an allocation to allow the Agency to issue bonds on a tax-exempt basis in an amount not to exceed $12,500,000 for the purpose of financing a portion of the Project.

6. The Agency intends to issue its Redevelopment Agency of the City and County of San Francisco Multifamily Housing Revenue Bonds (Banneker Homes Apartments) 2005 Series C in an aggregate principal amount not to exceed $12,500,000 (the “Bonds”). The proceeds of the Bonds will be used for the purpose of funding a loan in the maximum aggregate principal amount of $12,500,000 to finance the Borrower’s acquisition and rehabilitation of the Project (the “Loan”) pursuant to the terms and conditions of a Loan and Financing Agreement (the “Loan Agreement”), by and between the Agency and the Borrower, in accordance with a Trust Indenture (the “Indenture”), by and between the Agency and The Bank of New York Trust Company, N.A., as trustee (the “Trustee”), an Assignment of Note (the “Assignment of Note”) by the Agency for the benefit of the Trustee, and a Bond Purchase Agreement (the “Bond Purchase Agreement”), by and between the Agency and the Purchaser (as defined below), and pursuant to certain conditions and requirements to be set forth in a Regulatory Agreement and Declaration of Restrictive Covenants, by and among the Agency, the Trustee and the Borrower (the “Regulatory Agreement”).

7. The Agency is authorized pursuant to the Law to lend and distribute monies to nonprofit developers and sponsors for the specific and special purpose of increasing and maintaining housing stock in the City for very-low, low- and moderate-income households.

8. The Borrower intends to finance the acquisition and rehabilitation of the Project using, among other sources, the proceeds of the Loan. The Bonds to be issued to fund the Loan will be sold to MuniMae TE Bond Subsidiary, LLC, or its designee (the “Purchaser”).

9. The Agency is authorized pursuant to the Law to adopt a regulation that contains standards, qualifications and criteria for the making and approval of loans. The Agency intends to adopt the standards, qualifications and criteria for the making and approval of the Loan that are set forth in the letter dated October 7, 2005, from MuniMae Portfolio Services, LLC (“MPS”), to the Borrower with respect to MPS’s commitment to cause the Purchaser to purchase the Bonds (the “Commitment Letter”), the Loan Agreement, the Indenture, the Assignment of Note and the Regulatory Agreement, as the regulation of the Agency that contains standards, qualifications, and criteria for the making and approval of the Loan for purposes of the Law.
10. All acts, conditions and things required by the Act and the Law, and by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the adoption of the standards, qualifications and criteria for the making and approval of the Loan that are set forth in the Loan Agreement, the Indenture, the Assignment of Note, the Regulatory Agreement and the Commitment Letter as the regulation of the Agency that contains standards, qualifications and criteria for the making and approval of the Loan for purposes of the Law and the consummation of the financing represented by the Bonds and the Loan do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the adoption of such standards, qualifications and criteria, to authorize such financing and to authorize the execution and delivery of documents related to such financing, for the purposes, in the manner and upon the terms contemplated in this Resolution.

FINDINGS

The Commission hereby finds and determines that the adoption of standards, qualifications and criteria for the making and approval of the Loan and the use of the loan proceeds to assist in the financing of the Project will be of benefit to the Agency’s redevelopment project areas.

RESOLUTION

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

1. Pursuant to the Law, the Agency hereby adopts the standards, qualifications, and criteria for the making and approval of the Loan that are set forth in the Commitment Letter (attached hereto as Attachment 1) and the Loan Agreement, the Indenture, the Assignment of Note, the Bond Purchase Agreement and the Regulatory Agreement, in the forms lodged with the Agency General Counsel, with such changes, additions and deletions as may be approved by any Authorized Officer (described below) in the manner set forth in Section 3 below, as the regulation of the Agency that contains standards, qualifications and criteria for the making and approval of the Loan for purposes of the Law.

2. Pursuant to the Act, the Agency hereby authorizes the issuance and delivery of the Bonds designated as the “Redevelopment Agency of the City and County of San Francisco Multifamily Housing Revenue Bonds (Banneker Homes Apartments) 2005 Series C” (the “Bonds”) in an aggregate principal amount of not to exceed $12,500,000. The Bonds shall be issued pursuant to the Indenture. The terms of the Bonds shall be as set forth in the Indenture, as such is executed and delivered by the Agency. The Executive Director, the Deputy Executive Director - Finance and Administration, and the Secretary of the Agency (each an “Authorized Officer”), each acting alone, are hereby authorized and directed to execute the
Bonds on behalf of the Agency by manual or facsimile signature, in the form set forth in the Indenture, with such changes, deletions and insertions as may be approved by such Authorized Officer upon consultation with legal counsel to the Agency, such approval 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 by the Agency and authenticated by the Trustee, shall be delivered to or upon the order of the Purchaser.

3. The Indenture, the Regulatory Agreement, the Assignment of Note, the Bond Purchase Agreement and the Loan Agreement (collectively, the “Bond Documents”), 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 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, including such additions or changes as are necessary or advisable in accordance with Section 4 below, such approvals to be conclusively evidenced by the execution and delivery by such Authorized Officer of all of the Bond Documents.

4. All actions heretofore taken by the officers and agents of the Agency with respect to the adoption of the standards, qualifications and criteria for the making and approval of the Loan and the sale and issuance of the Bonds are hereby approved, confirmed and ratified. The Executive Director, the Deputy Executive Director - Finance and Administration, the Treasurer, the Secretary and Assistant Secretaries, the Agency General Counsel and Deputy General Counsels and other officers of the Agency are hereby authorized and directed, jointly and severally, to do any and all things, and to execute and deliver any and all documents and certificates (including, without limitation, those in connection with tax compliance matters and continuing disclosure obligations) which they may deem necessary or advisable in order to adopt the standards, qualifications and criteria for the making and approval of the Loan and to consummate the lawful issuance, sale and delivery of the Bonds and the funding of the Loan, and otherwise to implement the purposes of this Resolution both before and after the delivery of the Bonds.

APPROVED AS TO FORM:

James B. Morales 10/21/05
Agency General Counsel