

## RESOLUTION NO. 51-2006

*Adopted April 18, 2006*

### **AUTHORIZING A FIRST AMENDMENT TO THE REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS WITH MERCY TERRACE LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO ALLOW FOR REVISIONS TO INCOME RESTRICTIONS AND RENT INCREASES UNDER CERTAIN CONDITIONS, FOR 158 AFFORDABLE UNITS LOCATED AT 333 BAKER STREET; CITYWIDE AFFORDABLE HOUSING PROGRAM**

#### **BASIS FOR RESOLUTION**

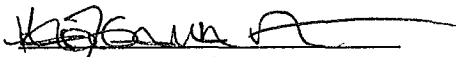
1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., the "Law"), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
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. The Agency, pursuant to Resolution No. 80-2005, has issued Variable Rate Multifamily Housing Revenue Bonds (Mercy Terrace Project), Series 2005A (the "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") to be owned by Mercy Terrace LLC, a California limited liability company (the "Borrower").
4. In connection with the issuance of the Bonds, the Agency, the Borrower and U.S. Bank National Association, as trustee (the "Trustee") for the Bonds, entered into a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement").
5. The Borrower has requested that the Agency enter into a First Amendment to the Regulatory Agreement and Declaration of Restrictive Covenants (the "First Amendment") to amend certain provisions of the Regulatory Agreement and Declaration of Restrictive Covenants, to allow for adjustments to income restrictions and permitted rent increases if the United States Department of Housing ("HUD") Section 8 contract is eliminated for the Project.

6. The Agency now desires to amend the Regulatory Agreement and Declaration of Restrictive Covenants as requested by the Borrower.

### **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 First Amendment to the Regulatory Agreement and the Declaration of Restrictive Covenants with Mercy Terrace, LLC, a California limited liability company, to allow for revisions to income restrictions and rent increases under certain conditions, for 158 affordable units located at 333 Baker Street, substantially in the form lodged with the Agency General Counsel; Citywide Affordable Housing Program.

**APPROVED AS TO FORM:**

  
James B. Morales  
Agency General Counsel