

## RESOLUTION NO. 51-2009

*Adopted May 19, 2009*

### **AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS, IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$26,000,000 TO ASSIST NIHONMACHI TERRACE LIMITED PARTNERSHIP WITH THE FINANCING OF THE ACQUISITION AND REHABILITATION OF AFFORDABLE RESIDENTIAL RENTAL FACILITIES KNOWN AS NIHONMACHI TERRACE APARTMENTS AT 1615 SUTTER STREET AND AUTHORIZING AND APPROVING RELATED ACTIONS AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS**

#### **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 the Law to issue revenue bonds, the interest on which is tax-exempt under State of California and federal laws, and to make loans to finance the cost of, among other things, the acquisition and rehabilitation of multifamily residential housing developments for occupancy, in whole or in part, by persons of very low-, low- and moderate-income.
3. Nihonmachi Terrace Limited Partnership, a California limited partnership (the "Borrower"), will acquire from Japanese American Religious Federation Housing, Inc., a California nonprofit public benefit corporation (the "Seller"), a multifamily apartment complex with 245 residential units known as Nihonmachi Terrace Apartments, located at 1615 Sutter Street, San Francisco, California (the "Project"). The managing general partner of the Borrower is Japanese American Religious Federation Housing, Inc. 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. 107-2008, adopted on September 16, 2008, expressed its intention to issue multifamily housing revenue bonds on a tax-exempt basis in an amount not to exceed \$28,000,000 to finance a portion of the Project. On October 16, 2008, the Agency held a public hearing on the proposed issuance of such tax-exempt bonds, as required under the Internal Revenue Code of 1986, as amended (the "Code"), following published notice of such hearing on October 1, 2008 and October 8, 2008, and the Mayor of the City, as an applicable

elected representative under the Code, approved the issuance of such tax-exempt bonds on October 30, 2008.

5. On December 3, 2008, 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 \$26,000,000 for the purpose of financing a portion of the Project.
6. The Agency intends to issue its Multifamily Housing Revenue Bonds (Nihonmachi Terrace Apartments), 2009 Series A, in one or more series, in an aggregate principal amount not to exceed \$26,000,000 (the "Bonds"). The proceeds of the Bonds will be used for the purpose of funding a loan, in the maximum amount of \$26,000,000 to finance the Borrower's acquisition and rehabilitation of the Project (the "Loan") pursuant to the terms and conditions of a Loan 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 U.S. Bank National Association, 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 among the Agency, the Borrower and Citicorp Municipal Mortgage, Inc., or its designee (the "Purchaser"), and pursuant to certain conditions and requirements to be set forth in a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), by and among the Agency, the Trustee and the Borrower.
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 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 following documents (collectively, the "Regulation") 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: (i) the Loan Agreement, (ii) the Indenture, (iii) the Assignment of Note and (iv) the Regulatory Agreement.
10. All acts, conditions and things required by 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 Regulation 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 Regulation, 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.

11. The refinancing and rehabilitation of Nihonmachi Terrace Apartments, an existing residential facility, will result in the completion of interior and exterior alterations to the building and rehabilitation work. The facility will not be expanded and its use will not change. The construction activities are categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15301(a) (alterations to an existing facility) and Section 15301(d) (rehabilitation of an existing facility). These activities would not directly cause any significant adverse physical change in the environment.

### **FINDINGS**

The Commission hereby finds and determines that the adoption of the Regulation 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.

### **RESOLUTION**

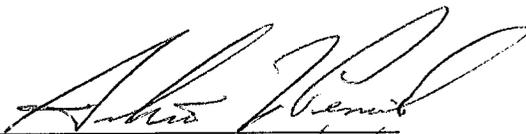
**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that:

1. Pursuant to the Law, the Agency hereby adopts the Regulation, 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 Law, 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 (Nihonmachi Terrace Apartments), 2009 Series A” (the “Bonds”), in one or more series, in an aggregate principal amount not to exceed \$26,000,000, and maturing not later than December 1, 2042. 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

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 Regulation 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, the 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 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:**



for James B. Morales 5-13-09

Agency General Counsel