

## RESOLUTION NO. 70-2002

Adopted April 30, 2002

**AUTHORIZING 1) AN ASSIGNMENT OF THE DISPOSITION AND DEVELOPMENT AGREEMENT CONCERNING PARCEL 714-A(2), LOCATED AT THE NORTHWEST CORNER OF VAN NESS AVENUE AND MYRTLE STREET ("DDA"), BY VAN NESS CARE CENTER, INC., A CALIFORNIA CORPORATION TO SAN FRANCISCO CARE CENTER, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND 2) A THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT PROVIDING FOR THE ASSIGNMENT AND SUBORDINATION TO HUD DURING THE TERM OF THE SECTION 232 MORTGAGE INSURANCE; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2.**

### BASIS FOR RESOLUTION

1. On September 12, 2000, the Redevelopment Agency of the City and County of San Francisco (the "Agency") authorized execution of a Disposition and Development Agreement (the "Original DDA") with Van Ness Care Center, Inc., a California Corporation (the "Developer"), for the purchase and development of Disposition Parcel 714-A(2), Lots 2 & 3 of Assessor's Block 714 (the "Site"), in the Western Addition Redevelopment Project Area A-2.
2. The Original DDA was amended by First and Second Amendments dated May 22, 2001 and November 13, 2001, respectively, (collectively called the "DDA").
3. The Developer has met most of the prerequisite performance milestones set forth in the DDA for closing of escrow and conveyance of the Site. The Developer has submitted a request to the Agency to assign its interest in the DDA to San Francisco Care Center, L.P., a California limited partnership ("Assignee"), whose sole general partner is the Developer. The assignment is consistent with the anti-speculation provisions of the DDA in that the Developer's interest under the DDA will be transferred at no fee or additional cost.
4. The Secretary of the United States Department of Housing and Urban Development ("HUD") has provided its commitment for mortgage insurance pursuant to Section 232 of the National Housing Act ("Section 232 Mortgage Insurance"), and requires the Agency to provide a Subordination Agreement as a condition of issuing such Section 232 Mortgage Insurance for the proposed development of the Site.
5. The Developer also requested the Agency to enter into a Subordination Agreement, which subordinates the DDA and other Agency requirements during the term of the Section 232 Mortgage Insurance to be provided by HUD.

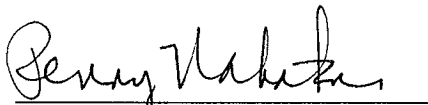
6. Based on the Developer's accomplishments to date, the Agency is willing to authorize a Third Amendment to the DDA to (1) reflect the proposed assignment and (2) incorporate the conditions under which the Agency is agreeing to subordinate its interest in the DDA to HUD.

## RESOLUTION

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

1. Van Ness Care Center, Inc. a California corporation, is permitted to assign its interest in the Disposition and Development Agreement, as amended, to San Francisco Care Center, L.P., a California limited partnership, for the purchase and development of Agency Disposition Parcel 714-A(2); and
2. The Executive Director is authorized to enter into and execute a Third Amendment to the Disposition and Development Agreement and implementing documents, in light of the assignment to San Francisco Care Center L.P., a California limited partnership, and authorizing the subordination of certain Agency requirements to applicable HUD requirements during the term of the Section 232 Mortgage Insurance, substantially in the form lodged with Agency General Counsel.

**APPROVED AS TO FORM:**



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Bertha A. Ontiveros  
Agency General Counsel