

RESOLUTION NO. 139-2002

Adopted July 30, 2002

AUTHORIZING AGENCY'S CONSENT, AS LENDER, TO THE FIRST AMENDMENT TO THE MASTER LEASE AND THE ASSIGNMENT OF RIGHTS UNDER THE MASTER LEASE, BOTH BETWEEN 32-40 6TH STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND TENDERLOIN HOUSING CLINIC, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN CONNECTION WITH THE REHABILITATION OF THE SENECA HOTEL, LOCATED AT 32-40 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION


1. The Redevelopment Agency of the City and County of San Francisco ("Agency") is authorized, pursuant to the California Community Redevelopment Law (Health and Safety Code, Section 33000, *et seq.*) and desires to distribute money from its Low and Moderate Income Housing Fund for the specific and special purpose of increasing and maintaining the housing stock in the City and County of San Francisco as affordable to very low, low, and moderate income households.
2. The Agency is developing a Single Room Occupancy ("SRO") Owners Rehabilitation Program, which proposes to provide financial assistance to owners of SRO hotels along the Sixth Street Corridor.
3. The Seneca Hotel ("Site") is a 204-unit SRO hotel located at 32-40 Sixth Street, in the South of Market Earthquake Recovery Redevelopment Project Area.
4. The Site is leased on a long-term basis by the Tenderloin Housing Clinic ("THC") from the owner, 32-40 6th Street, LLC ("Owner") (the "Master Lease") to provide housing to very low- income residents, many of whom are clients of the Personal Assistance Employment Services ("PAES") Program, an employment assistance program administered the City's Department of Human Services ("DHS").
5. THC, on behalf of the Owner, has requested \$142,785 for predevelopment activities related to the renovation of the Site (the "Predevelopment Loan"). The loan will be made to the Owner and THC will administer the loan proceeds for the purpose of developing a scope of work for renovating the Site, including improvements to the common areas and elevator repairs. At this time, it is anticipated that the Owner will request an additional approximate amount of \$850,000 for the construction of the renovations, following the predevelopment work (the "Construction Loan").

6. On April 6, 2001, the Citywide Affordable Housing Loan Committee recommended that THC's predevelopment loan request be funded by the Agency under the proposed SRO Owners Rehabilitation Program using tax increment funds, subject to certain terms and conditions. The Commission is considering the Predevelopment Loan concurrently with this resolution, pursuant to Resolution No. 138-2002.
7. The Agency, as consideration for the Predevelopment Loan and the anticipated Construction Loan, has requested that Owner and THC enter into the First Amendment to the Master Lease and the Assignment of Rights under the Master Lease for the assignment of the rights and responsibilities of the Master Lease from THC to the Agency under specific conditions and includes an Agency right of first refusal to purchase. THC and the Borrower have agreed to execute both agreements, and THC is now requesting the Agency's formal consent, as lender, to both agreements.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute the Agency's consent, as lender, to the First Amendment to Master Lease and the Assignment of Rights Under the Master Lease, both between Tenderloin Housing Clinic, a California nonprofit public benefit corporation, and 32-40 6th Street, LLC, a California limited liability company, in connection with the rehabilitation of the Seneca Hotel located at 32-40 Sixth Street in the South of Market Earthquake Recovery Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


BERTHA A. ONTIVEROS
Agency General Counsel

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