

RESOLUTION NO. 167-2002

Adopted September 24, 2002

AUTHORIZING A SECOND AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO REVISE THE SCHEDULE OF PERFORMANCE AND OTHER TECHNICAL CHANGES FOR THE MIXED-USE, LOW INCOME SENIOR DEVELOPMENT AT 827 HOWARD STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment of the City and County of San Francisco ("Agency") and Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, ("Owner") entered into a Owner Participation Agreement, dated December 11, 2002 (the "Original Agreement"), under which the Owner proposes and agrees to construct a mixed-used project consisting of approximately 85 very low income rental housing units for the elderly, 9,582 square feet of retail/institutional component ("Commercial Component") and up to 22 parking spaces in a below grade parking structure (the "Project") in the applicable air rights parcels at 827 Howard Street in the Yerba Buena Center Redevelopment Project Area.

2. The Original Agreement was amended by a First Amendatory Agreement (the "First Amendment") dated March 26, 2002 (together with the Original Agreement, the "Agreement") to revise the allocation of approximately \$2,000,000 of Agency funds between the Commercial Component and the re-landscaping of the area adjacent to the Project and the Housing Authority of the City and County of San Francisco's ("Authority") Clementina Towers (the "Campus Improvements") which the Owner has agreed to do on behalf of the Authority.

3. Under the Original Agreement, the Agency had agreed in concept to provide a commercial loan of approximately \$1.1 million for the partial capital funding of the proposed 9,582 square feet retail/institutional element of the Project (the "Commercial Loan") under certain terms and a grant of approximately \$900,000 for the proposed Campus Improvements (the "Campus Improvements Grant") as described in the Original Agreement. Concurrently, with the approval of the Original Agreement, the Agency also approved a \$132,000 predevelopment grant (the "Predevelopment Grant") for the Owner to cover certain predevelopment costs associated with the Campus Improvements.

4. Pursuant to the First Amendment, the Agency and the Owner agreed to increase the Commercial Loan amount from \$1,100,000 to \$1,379,000, increase the Predevelopment Grant from \$132,000 to \$162,000 and reduce the proposed Campus Improvements Grant from \$900,000 to \$621,000. However, the Owner had indicated that to the extent it was able to secure additional funding from other sources, it would request that the Commercial Loan amount be

reduced and the amount of the reduction be used to increase the proposed Campus Improvements Grant amount.

5. The Owner has succeeded in securing additional funding from other sources and has requested that the Agency re-allocate the approximately \$2,000,000 of Agency funds between the Commercial Loan amount and the proposed Campus Improvements Grant amount by reducing the Commercial Loan amount from \$1,000,000 to \$986,000, and increasing the Campus Improvements Grant amount from \$621,000 to \$1,014,000 for a total aggregate Project amount of \$2,000,000.

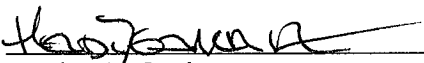
6. The Owner has also requested the Agency make other necessary but minor changes to the Agreement including extending the deadlines established in the Schedule of Performance of the Agreement, by the period of time it took to address the unanticipated request from the U.S. Department of Housing and Urban Development ("HUD") to provide a lease instead of sublease for the housing component of the proposed Project, and to subordinate the affordable restrictions of the Agreement to comply with HUD requirements.

6. The Agency, in response to the Owner's request, has agreed to recognize the revised Commercial Loan amount and make other necessary changes to the Agreement as noted in the above recitals.

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 and execute a Second Amendment to the Owner Participation Agreement with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, to revise the schedule of performance and other technical changes for the mixed use low-income senior housing development at 827 Howard Street in the Yerba Buena Center Redevelopment Project Area, substantially in the form lodged with Agency General Counsel.

APPROVED AS TO FORM:



Bertha A. Ontiveros
Agency General Counsel