

RESOLUTION NO. 11-99

(Adopted January 26, 1999)

AUTHORIZING EXECUTION OF A CDBG AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$2,300,401 WITH GP/TODCO-A FOR ACQUISITION AND PREDEVELOPMENT EXPENSES RELATED TO THE REHABILITATION OF THE DELTA HOTEL, 80-88 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") administers certain Community Development Block Grant Funds ("CDBG Funds").
2. GP/TODCO-A ("Developer") has applied to the Agency for CDBG Funds for acquisition and predevelopment expenses related to the rehabilitation of the Delta Hotel, located at 80-88 Sixth Street ("Project"), in the Agency's South of Market Earthquake Recovery Redevelopment Project Area ("Project Area").
3. The Citywide Affordable Housing Loan Committee approved a loan of \$2,300,401 to Developer for the Project on January 11, 1999 and recommends Commission approval as well.
4. The Project suffered a major fire in August 1997. The fire caused significant damage to the building and led to the displacement of all residents, including over 200 extremely low and very low-income residents living in the building.
5. The Developer has entered into a purchase and sale agreement with the seller of the Project. Developer intends to rehabilitate the Project for use as affordable housing.
6. Developer's rehabilitation of the Project will lead to the removal of 40 units of housing in order to meet various building codes and to provide residents with added community kitchens. The Agency has adopted a replacement housing plan that describes how these units will be replaced within a four (4) year time period.
7. The Developer intends to finance the acquisition and rehabilitation of the Project using the requested CDBG Funds, an Unreinforced Masonry Building Seismic Safety Loan, and low-income housing tax credits.
8. The Agency has determined that lending CDBG Funds to Developer for rehabilitation of the Project is consistent with its Mission Statement and the


Project Area redevelopment plan. Developer's rehabilitation of the Project will cure a major source of blight in the Project Area and will provide 140 units of affordable housing.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED that the Executive Director is authorized to execute a CDBG Affordable Housing Program Loan Agreement in an amount not to exceed \$2,300, 401, with GP/TODCO-A, a California nonprofit public benefit corporation, and in a form to be approved by the Agency General Counsel; and

IT IS FURTHER RESOLVED that the Executive Director is authorized to negotiate with GP/TODCO-A to provide for the use of the ground floor of the rehabilitated Delta Hotel by the Filipino-American Development Foundation as a community center.

APPROVED AS TO FORM:

for 

DAVID M. MADWAY
Agency General Counsel