

RESOLUTION NO. 37-2007

Adopted May 1, 2007

AUTHORIZING THE EXECUTIVE DIRECTOR TO APPLY AND, IF AWARDED, TO ACCEPT \$5 MILLION IN RESIDENTIAL DEVELOPMENT LOAN PROGRAM FUNDS FROM THE CALIFORNIA HOUSING FINANCE AGENCY FOR USE IN THE DEVELOPMENT OF AFFORDABLE HOMEOWNERSHIP HOUSING; ALL REDEVELOPMENT PROJECT AREAS, CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

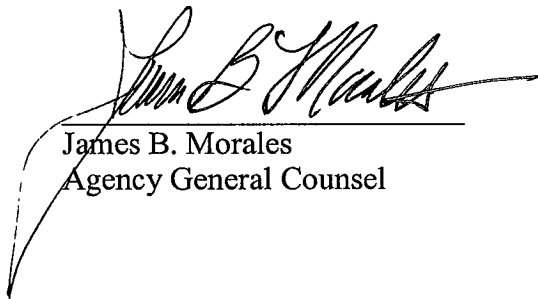
1. The Redevelopment Agency of the City and County of San Francisco ("Agency") has certain responsibilities under the California Community Redevelopment Law (Health and Safety Code, Section 33334.2) to maintain its Low and Moderate Income Housing Fund (LMIHF) for the purpose of increasing, improving and preserving San Francisco's supply of housing available at affordable housing cost affordable to extremely low-, very low-, low-, and moderate-income households.
2. The Agency uses the LMIHF to fund, among other things, an Limited Equity Homeownership Program that creates permanently affordable homeownership units to low- and moderate-income households who are first-time homebuyers.
3. To the greatest extent possible, the Agency attempts to leverage its LMIHF resources with other forms of state- and federally-sponsored assistance and private investment.
4. The Residential Development Loan Program ("RDLP") provides up to \$5 million per project in the form of a 3% interest loan for terms of five years or less for site acquisition, predevelopment, and construction costs. Up to \$3 million of the loan can be used for acquisition and predevelopment costs. Up to \$2 million of the loan can be used for construction costs.
5. RDLP program parameters state that eligible projects must create new affordable ownership housing, include local government involvement, and address unmet affordable infill, owner-occupied housing needs. Staff has identified 474 Natoma Street, an Agency owned vacant lot for which the Agency is currently reviewing proposals to develop first-time homeownership housing for low- and moderate-income households, as a potential site to utilize these funds.
6. The funds would be used for pre-construction and construction financing for terms of five years or less and would be partially repaid by the construction financing. The balance of the outstanding RDLP funds would be repaid from the sales of the condominium units to low- and moderate-income homebuyers. All standard Agency requirements would be imposed on each loan.

7. The deadline for applying for this round of RDLP funds is May 11, 2007.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to apply to the California Housing Finance Agency for \$5 million dollars in Residential Development Loan Program funds and to incur indebtedness and execute loan agreements and take any other actions necessary to use these funds in connection with the development of affordable homeownership housing.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel