

RESOLUTION NO. 94-2007

Adopted August 21, 2007

AUTHORIZING EXCLUSIVE NEGOTIATIONS AND A PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$2,600,000, WITH 474 NATOMA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF APPROXIMATELY 58 UNITS OF LOW- AND MODERATE-INCOME FIRST-TIME HOMEBUYER HOUSING AT 474 NATOMA STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

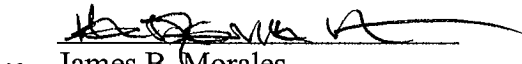
1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the "Law"), the Redevelopment Agency of the City and County of San Francisco ("Agency") undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco.
2. On December 6, 2005, the Board of Supervisors of the City and County of San Francisco authorized an amendment to the South of Market Redevelopment Plan (the "Plan"), which prioritizes the development of housing affordable to low- and moderate-income households.
3. The South of Market Project Area Committee ("PAC"), which advises the Agency on all matters pertaining to the Plan, recommends the type of housing to be built in the South of Market Redevelopment Project Area ("Project Area").
4. On December 22, 2006, the Agency issued a Request for Proposals ("RFP") for the development of 474 Natoma Street, seeking teams capable of developing affordable homeownership family housing at 474 Natoma Street ("Site"). The RFP set forth specific qualifications and criteria for selection, including previous development experience, developer staff capacity, architectural design, financial feasibility, and proposed number of units. A summary of the RFP was provided to the Agency Commission in an informational memorandum dated December 19, 2006.
5. The Agency received two submittals, of which the proposal from BRIDGE Housing Corporation, a California nonprofit public benefit corporation ("BRIDGE"), was unanimously selected by the interdisciplinary evaluation panel ("Evaluation Panel"), which included one PAC member.
6. On May 1, 2007, by Resolution No. 37-2007, the Agency Commission authorized staff to apply for, and if awarded, to accept, up to \$5 million in Residential Development Loan Funds ("RDLP") from the California Housing Finance Agency ("CalHFA").

7. On May 21, 2007, the PAC endorsed the Evaluation Panel's unanimous recommendation of BRIDGE as the selected developer.
8. BRIDGE has subsequently formed 474 Natoma LLC, a California limited liability company, of which its the sole member.
9. At its meeting of August 3, 2007, the Mayor's Citywide Affordable Housing Loan Committee recommended approval of the Predevelopment Loan Agreement for \$2,600,000. A portion of the RDLP funds will be used to fund the Predevelopment Loan amount.
10. An eighteen (18) month period with a six-month option for extension ("Exclusive Negotiations Period") will allow BRIDGE to pursue predevelopment activities for the development and marketing of affordable for sale housing. BRIDGE must meet a series of milestones during the Exclusive Negotiations Period that will result in the execution of a Disposition and Development Agreement ("DDA") for consideration by the Agency Commission after a public hearing, as required by law.
11. Authorization of the Predevelopment Loan Agreement and the Exclusive Negotiations Agreement for development of approximately 58 units of low- and moderate-income first-time homebuyer housing at 474 Natoma Street is exempt from the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines Section 15262.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to negotiate and to execute an Exclusive Negotiations Agreement, and subject to the anticipated award of funds from the California Housing Finance Agency, to enter into a Predevelopment Loan Agreement in an amount not to exceed \$2,600,000, with 474 Natoma LLC, a California limited liability company, for the development of approximately 58 units of affordable homeownership family housing, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel