

RESOLUTION NO. 95-2007

Adopted August 21, 2007

AUTHORIZING A GUARANTY AGREEMENT FOR THE PAYMENT OF TAX INCREMENT FUNDING IN AN AMOUNT NOT TO EXCEED \$3,381,000 FOR THE DEVELOPMENT OF 124 UNITS OF LOW- AND MODERATE-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM

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 (the "Agency") undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
2. On January 3, 1995, by Ordinance No. 026-95, the Board of Supervisors of the City (the "Board of Supervisors") adopted the Bayview Hunters Point Redevelopment Survey Area (the "Survey Area") in response to community concern over the physical and economic decline of the South Bayshore community for the purpose of conducting a study to determine if the formation of a redevelopment project area was warranted.
3. On February 10, 1997, the Board of Supervisors certified the election of the Bayview Hunters Point Project Area Committee (the "PAC"). The PAC worked with Agency staff to develop the Bayview Hunters Point Community Revitalization Plan (the "Plan"). The PAC adopted the Plan at its regular meeting in November 2000.
4. On May 16, 2006, by Ordinance No. 113-06, the Board of Supervisors adopted the Bayview Hunters Point Redevelopment Project Area (the "Project Area") in order to undertake a variety of projects and activities to alleviate blighting conditions. The Bayview Hunters Point Redevelopment Plan became effective on September 19, 2006.
5. It is the mission of BRIDGE Housing Development Corporation, a California nonprofit public benefit corporation ("BRIDGE" or "Developer"), to provide safe, decent and affordable rental and ownership housing in the Bay Area and Southern California.
6. On December 12, 2001, in furtherance of its mission, the Developer entered into a purchase and sale agreement to purchase approximately 3.14 acres at 5600 Third Street in the Survey Area (the "Site") for the purpose of redeveloping it as

approximately 132 units of rental housing for very low- and low-income seniors with ground floor commercial space (the "Senior Project") along with approximately 124 units of ownership housing for low- and moderate-income households on two parcels (the "Family Project") (together the "Projects").

7. On June 18, 2002, by Resolution No. 102-2002, the Agency Commission authorized the following with BRIDGE: (1) an Assignment and Assumption Agreement to purchase the real property located at 5600 Third Street for a total amount not to exceed \$9,800,000; (2) an Exclusive Negotiations Agreement leading to the disposition of the real property at 5600 Third Street for the development of the Projects; and (3) a Tax Increment Predevelopment Loan Agreement in the amount of \$200,000 for the Projects.
8. In addition, on June 18, 2002, the Agency Commission was made aware that in the event that more Agency funds would become available, BRIDGE would return to the Agency to request additional predevelopment funding.
9. On May 18, 2004, by Resolution No. 59-2004, the Agency Commission approved a First Amendment to the Predevelopment Loan Agreement with BRIDGE to increase the total funding amount to \$2,532,990 for the Projects.
10. On July 19, 2005, by Resolution No. 116-2005, the Agency Commission approved a Second Amendment to the Predevelopment Loan Agreement with BRIDGE for an amount not to exceed \$600,000, for a total aggregate amount not to exceed \$3,132,990, in order to demolish and remediate the Site.
11. On February 20, 2007, by Resolution No. 10-2007, the Agency Commission approved an additional \$20,543,329 in tax increment loan funds, with BRIDGE Tower LLC, a California limited liability corporation and an affiliate of BRIDGE Housing Corporation, for the Family Project, for a total aggregate amount of \$29,508,183 (the "Total Loan Amount") for the Family Project.
12. Due to a gap in the Agency's timing for funding the Total Loan Amount, the Agency now desires to enter into a Guaranty Agreement with Bank of America, N.A., a national bank association (the "Bank"), the construction lender for the Family Project for an amount not to exceed \$3,381,000 (the "Guaranty Agreement") (which amount is part of the Total Loan Amount as approved by the Agency Commission on February 20, 2007).
13. In adopting Resolution No. 10-2007, the Agency Commission found that the Mitigated Negative Declaration for the proposed Project, which was prepared pursuant to the California Environmental Quality Act ("CEQA") by the Planning Department of the City and adopted by the San Francisco Planning Commission on June 23, 2005, reflected the independent judgment and analysis of the Agency and adopted the Mitigated Negative Declaration as adequate and having been prepared in accordance with CEQA.

14. Authorization for the Executive Director to enter into the Guaranty Agreement is an Implementing Action for the construction of the project. Agency staff, in making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the Mitigated Negative Declaration. Documents related to the Implementing Action and the Mitigated Negative Declaration have been and continue to be available for review by the Agency Commission and the public and are part of the record before the Agency Commission.
15. The Mitigated Negative Declaration and Resolution No. 10-2007 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the Implementing Action.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that (1) it has reviewed and considered the Mitigated Negative Declaration and hereby adopts the CEQA findings set forth in Resolution No. 10-2007 incorporated herein; (2) the Executive Director or her designee is authorized to enter into a Guaranty Agreement with Bank of America, N.A., a national banking association, in an amount not to exceed \$3,381,000, for the development of low- and moderate-income for-sale housing at 5600 Third Street, within the Bayview Hunters Point Redevelopment Project Area, as part of the Citywide Tax Increment Housing Program, substantially in the form lodged with the Agency General Counsel; and, (3) enter into any and all ancillary documents or take any additional actions necessary to consummate the transactions authorized by this Resolution, in forms to be approved by the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel