

RESOLUTION NO. 123-2007

Adopted November 20, 2007

APPROVING A SETTLEMENT AGREEMENT WITH BANNEKER HOMES PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO RESOLVE A PREVAILING WAGE DISPUTE INVOLVING 15 CONSTRUCTION WORKERS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

1. At the request of Banneker Homes, L.P., a California limited partnership ("Owner"), the Redevelopment Agency of the City and County of San Francisco ("Agency") issued its Multifamily Housing Revenue Bonds (Banneker Homes Apartments) 2005 Series C in an aggregate principal amount not to exceed \$12,500,000 (the "Bonds"). The Bond proceeds were used to facilitate the Owner's acquisition of a multifamily apartment complex at 765 Fulton Street and rehabilitation of 108 units of very-low and low-income family rental housing (the "Project"). The Project is located within the Western Addition Redevelopment Project Area A-2.
2. In consideration of the Agency issuing the Bonds, the Agency and the Owner entered into a Regulatory Agreement and Declaration of Restrictive Covenants dated December 1, 2005, including attachments thereto (the "Regulatory Agreement"). The Agency's Prevailing Wage Provisions ("Labor Standards") which are incorporated into the Regulatory Agreement by reference, require that all workers on the Project be paid prevailing wages.
3. It came to the attention of Agency staff that fifteen (15) painters employed by Elijah Painting Company, a painting subcontractor on the Project, were being paid less than prevailing wages in breach of the Regulatory Agreement. After numerous attempts to resolve the matter, the Agency Executive Director sent a Notice of Default to the Owner dated August 24, 2007.
4. After further discussions and to avoid the costs, expenses and inconvenience of arbitration and/or litigation, the Owner agreed to pay to the Agency the full amount of back wages owed to the 15 painters (\$28,068.63). The Agency will disburse these funds to the 15 painters. The Agency and Owner desire to execute a settlement agreement as evidence that the dispute is resolved.
5. The prevailing wage rate applicable to this Project for a journeyman painter is \$47.02 per hour. The back wages owed to each individual painter range from approximately \$340 to \$5,000. The total amount of back wages owed is \$28,068.63.

6. Agency approval of the Settlement Agreement is an administrative activity that does not constitute a project as defined by the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5). The proposed action will not independently result in a physical change in the environment and is not subject to environmental review under CEQA.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Settlement and Release Agreement for Prevailing Wage Claim with Banneker Homes, L.P., a California limited partnership, substantially in the form lodged with the Agency General Counsel; and to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

APPROVED AS TO FORM:



James B. Morales 11/14/07.
Agency General Counsel