

RESOLUTION NO. 14-2008

Adopted April 1, 2008

AUTHORIZING A LOAN AGREEMENT WITH MARTIN LUTHER KING – MARCUS GARVEY SQUARE COOPERATIVE APARTMENTS, INCORPORATED, A CALIFORNIA MUTUAL BENEFIT NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,000,000 FOR PREDEVELOPMENT COSTS ASSOCIATED WITH THE REHABILITATION OF 211 UNITS OF LOW- INCOME COOPERATIVE HOUSING AT 1680 EDDY STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

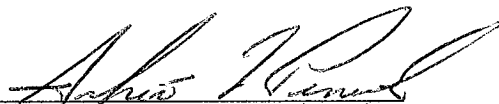
1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the “Law”), the Redevelopment Agency of the City and County of San Francisco (the “Agency”) undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco. The Sponsor is a California mutual benefit nonprofit corporation established by the residents of the Martin Luther King - Marcus Garvey Square Cooperative Apartments (the “Sponsor”), in August 1975 with the purpose of “providing housing on a mutual non-profit basis in the manner and for the purpose provided in Section 221 of Title II of the National Housing Act, as amended, for families displaced from urban renewal areas or as a result of governmental action, and to assist further the providing of housing for low, moderate and middle income families.”
2. The Law promotes the use of redevelopment funds for limited equity co-ops whenever feasible.
3. The Sponsor has requested a \$1,000,000 loan from the Agency’s Citywide Tax Increment Housing Program funds to enable it to proceed with essential predevelopment activities for the rehabilitation of the 211-unit limited equity cooperative apartments with parking and commercial space (the “Project”). The Project is owned by the Sponsor and is located on Assessor’s Block 0730, Lot 044, and Assessor’s Block 0751, Lot 001, commonly known as 1680 Eddy Street, San Francisco, California (the “Site”), in the Western Addition Redevelopment Project Area A-2.
4. The requested loan will permit assessment of the Project’s existing conditions, prioritize needed capital improvements, prepare an accurate rehabilitation budget, and secure needed financing for the rehabilitation of 211 units of low-income cooperative housing.

5. The Project is a HUD Section 221 d (3)/ FHA 236 development with approximately 166 of its 211 units occupied by Section 8 eligible low-income households developed in partnership with the Agency in 1969.
6. This request was reviewed and approved by the Western Addition Citizens Advisory Committee at its February 21, 2008 meeting.
7. The Citywide Affordable Housing Loan Committee supported this \$1,000,000 loan request by the Sponsor on March 21, 2008 and recommends Commission approval.
8. The loan term is for forty-five (45) years at 3% interest and will be secured by a deed of trust on fee title to the Site. The loan will be repaid out of the Project's surplus cash.
9. Pursuant to the California Environmental Quality Act ("CEQA") Guidelines Section 15262 (planning and feasibility studies), authorization of the loan agreement to pay for the physical assessment of the building, identifying needed improvements, and developing a rehabilitation program and budget is exempt from CEQA review.

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 loan agreement with Martin Luther King - Marcus Garvey Square Cooperative Apartments, Incorporated, a California mutual benefit nonprofit corporation, in an amount not to exceed \$1,000,000, for predevelopment costs associated with the rehabilitation of 211 units of low-income cooperative housing at 1680 Eddy Street, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


✓, James B. Morales 3/25/08
Agency General Counsel