

RESOLUTION NO. 60-2008

Adopted June 17, 2008

**AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH
NASIR PATEL AND NASREEN PATEL, HUSBAND AND WIFE,
OWNERS OF THE PARK HOTEL, FOR AN AMOUNT NOT TO
EXCEED \$100,000, PURSUANT TO THE SINGLE ROOM OCCUPANCY
HOTEL REHABILITATION LOAN PROGRAM, FOR REHABILITATION
ACTIVITIES AT THE PARK HOTEL, LOCATED AT 1040 FOLSOM STREET;
SOUTH OF MARKET REDEVELOPMENT PROJECT AREA**

BASIS FOR RESOLUTION

1. The South of Market Earthquake Recovery Redevelopment Plan was adopted in 1990 to address the damage from the 1989 Loma Prieta earthquake and to develop and preserve affordable and market rate housing.
2. To accomplish the goal of preserving affordable housing, the Redevelopment Agency of the City and County of San Francisco's ("Agency") staff worked with the City Attorney's Office, the South of Market Project Area Committee, the Department of Building Inspection, the SRO Task Force, the Indian Hotel Owners Association, Tenderloin Housing Clinic, tenant representatives, and the San Francisco Rent Board to design a loan program to provide below market rate loans to owners of Single Room Occupancy ("SRO") hotels to subsidize physical improvements of properties on the Sixth Street corridor in exchange for affordability restrictions.
3. The program is known as the SRO Hotel Rehabilitation Loan Program ("Program") and was adopted as amended on February 25, 2003, pursuant to Resolution No. 28-2003. The Program's goals are to improve tenant quality of life, extend the useful life of SROs, alleviate blight, and prevent displacement and gentrification through long-term affordability ("Program Goals").
4. The Program is part of the Agency's affordable housing efforts within the South of Market Redevelopment Project Area ("Project Area").
5. Agency staff proposes to enter into a loan agreement with Nasir Patel and Nasreen Patel, husband and wife, owners of the Park Hotel ("Borrowers"), to fund \$100,000 in quality of life improvements to the Park Hotel located at 1040 Folsom Street. All Program loans must be approved by the Citywide Affordable Housing Loan Committee. On June 6, 2008, the Citywide Affordable Housing Loan Committee approved this proposed loan. Pursuant to the Program, any loan exceeding \$50,000 must also be authorized by the Commission.

6. The proposed loan agreement with the Borrowers is consistent with achieving the Program Goals in the Project Area as it will improve tenant livability and preserve residential affordability for at least fifteen years.
7. The rehabilitation of the Park Hotel is categorically exempt from the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines Section 15301(d). Rehabilitation of the existing facility will not independently result in a physical change in the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into an SRO Rehabilitation Loan Program Agreement with Nasir Patel and Nasreen Patel, husband and wife, owners of the Park Hotel, for an amount not to exceed \$100,000, for rehabilitation activities at the Park Hotel, located at 1040 Folsom Street, in the South of Market Redevelopment Project Area.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel