

## RESOLUTION NO. 4-2010

*Adopted January 19, 2010*

### **AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED PREDEVELOPMENT LOAN AGREEMENT WITH BERRY STREET LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE SCHEDULE OF PERFORMANCE AND TO MODIFY THE BUDGET RELATED TO THE DEVELOPMENT AND SALE OF 131 UNITS OF LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP HOUSING AT 330 BERRY STREET AND 335 BERRY STREET; MISSION BAY NORTH 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 (the “Agency”) undertakes programs for the reconstruction of slums and blighted areas in the City and County of San Francisco.
2. In accordance with the Law, the City and County of San Francisco (the “City”), acting through its Board of Supervisors, approved a Redevelopment Plan for the Mission Bay North Redevelopment Project Area by Ordinance No. 327-98 adopted on October 26, 1998. The Redevelopment Plan is referred to as the “Mission Bay North Redevelopment Plan.” In cooperation with the City, the Agency is responsible for implementing the Mission Bay North Redevelopment Plan.
3. The Mission Bay North Redevelopment Plan provides for the redevelopment, construction, and revitalization of the area generally bounded by the China Basin Channel and Townsend, Third and Seventh Streets and containing approximately 65 acres of land. The Mission Bay North Redevelopment Plan anticipates and describes a mixed-use development comprised of public open space, retail, commercial, entertainment uses, and parking and loading uses
4. The Mission Bay North Owner Participation Agreement between the Agency and FOCIL-MB, LLC (the “Master Developer”) provides that the Master Developer will contribute land to the Agency, at no cost, for the development of affordable housing and the Agency will oversee the development of up to 335 affordable housing units. Parcel 2 (330 Berry Street) of Block N4 and Parcel 2 (335 Berry Street) of Block N4a plus a nonexclusive easement interest in Lot A for emergency access and private utilities and a nonexclusive easement interest in the Mid-Block Walkway for pedestrian access ingress and egress, public utilities, and relocation of public utilities (collectively the “Site”) are part of this land contribution.

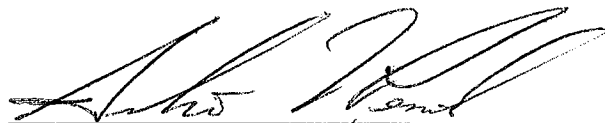
5. As a result of a Housing Development Request for Qualifications issued on January 27, 2005, for the development and marketing of up to 131 units of low- and moderate-income, for-sale housing at the Site, an interdisciplinary evaluation panel recommended and the Mission Bay North Citizens Advisory Committee supported the selection of BRIDGE Regional Partners, Inc., a California nonprofit public benefit corporation (“BRIDGE”). BRIDGE is an affiliate of BRIDGE Housing Corporation.
6. On July 19, 2005, by Resolution No. 113-2005, the Agency Commission authorized the Executive Director to enter into an Exclusive Negotiations Agreement (the “ENA”) with BRIDGE for the development of the project. On the same date, by Resolution No. 114-2005, the Agency Commission authorized the Executive Director to enter into a Predevelopment Loan Agreement in an amount not to exceed \$2,450,701.
7. On January 4, 2007, the State of California’s Department of Housing and Community Development awarded \$3,930,000 through its Building Equity and Growth in Neighborhoods (“BEGIN”) Program for mortgage assistance loans to first-time low- and moderate-income homebuyers purchasing units at the project. Pursuant to the BEGIN contract, all funds shall be expended by June 30, 2009.
8. On July 17, 2007, by Resolution No. 77-2007, the Agency Commission authorized a First Amendment to the Predevelopment Loan Agreement to increase the loan amount by \$1,230,834 for a total aggregate amount not to exceed \$3,681,535. This increase was necessary to cover the increase fees due at issuance of the Site permit.
9. On September 18, 2007, by Resolution No.102-2007, the Agency Commission authorized an Amended and Restated Predevelopment Loan Agreement to increase the loan amount by \$1,056,069 for an amount not to exceed \$4,737,604. This increase was necessary to cover additional predevelopment cost and due to changes in the financing structure.
10. The source of funds for the Predevelopment Loan is: (1) \$2,900,000 from the State of California’s Housing Finance Agency’s HELP fund plus \$134,843 in accrued interest (the “HELP Fund Amount”); and (2) \$1,702,761 of tax increment funds (the “Additional Amount”).
11. Berry Street LLC, a California limited liability company, is an affiliate of BRIDGE and was created to undertake development activities at the project. The Predevelopment Loan Agreement and the First Amendment thereto were assigned to the Developer with Agency consent pursuant to an Assignment and Assumption Agreement dated September 18, 2007.

12. Construction of the project was completed in July, 2009. Due to changed market conditions, sale and occupancy of 95% of the units is taking longer than expected and requires amending the Schedule of Performance. Cost savings in some project budget line items are being transferred to soft contingency for unanticipated additional marketing, and this transfer requires amending the Table of Sources and Uses.
13. The Developer requests that the Agency revise the Table of Sources and Uses of Funds and the Schedule of Performance.
14. Authorizing the First Amendment to the Amended and Restated Predevelopment Loan Agreement to revise the Schedule of Performance and the Table of Sources and Uses of Funds is an Agency administrative activity that will not cause any physical change in the environment and is not a project pursuant to CEQA definition of a project contained in CEQA Guidelines Section 15378(b)(5).

### **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 First Amendment to the Amended and Restated Predevelopment Loan Agreement with Berry Street LLC, a California limited liability company (an affiliate and assignee of BRIDGE Regional Partners, Inc.), to revise the Schedule of Performance and to modify the budget related to the development and sale of 131 units of low- and moderate-income first-time homeownership housing at 330 Berry Street and 335 Berry Street, substantially in the form lodged with the Agency General Counsel.

**APPROVED AS TO FORM:**



*for* James B. Morales *1/14/10*  
Agency General Counsel