

RESOLUTION NO. 85-2010

Adopted June 15, 2010

**AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH 150 OTIS ASSOCIATES L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR A LOAN IN AN AMOUNT NOT TO EXCEED \$5,000,000, FOR THE PREDEVELOPMENT AND CONSTRUCTION OF UP TO 75 UNITS OF VERY LOW INCOME SUPPORTIVE RENTAL HOUSING FOR FORMERLY HOMELESS VETERANS AND ONE MANAGER'S UNIT AT 150 OTIS STREET, AND ADOPTING THE FINAL NEGATIVE DECLARATION AND ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT;
CITYWIDE TAX INCREMENT HOUSING PROGRAM**

BASIS FOR RESOLUTION

1. In furtherance of the objectives of California Community Redevelopment Law (Health and Safety Code, Section 33000 *et seq.*), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of blighted areas in the City and County of San Francisco (the "City") and encourages the development of residential rental developments as affordable housing.
2. On January 3, 2008, the Mayor's Office of Housing ("MOH") issued a Request for Proposals (the "RFP") seeking an affordable housing developer to develop and operate up to 75 units of affordable supportive housing for low-income and formerly homeless veterans and one manager's unit (the "Project") at 150 Otis Street, Block 3513, Lot 007 (the "Site"). The RFP set forth specific submission requirements to be met in order to be fully reviewed by MOH staff. MOH received five proposals in response to the RFP.
3. The team of Chinatown Community Development Center ("CCDC") and Swords to Plowshares scored the highest score and was ranked as the most qualified proposal. For the purposes of tax credit financing, CCDC and Swords to Plowshares formed 150 Otis Associates L.P., a California limited partnership (the "Developer"), to develop and operate the Project.
4. The Site is currently owned by the City under the jurisdiction of MOH, and the City will enter into a long term ground lease with the Developer.

5. In-lieu of providing Hotel Tax funds to MOH, the Mayor's Budget Office requested that the Agency approve a loan to the Developer from the Agency's low and moderate income housing funds, which will enable the Developer to undertake design development, environmental, and construction activities related to the Project.
6. The Developer has requested a tax increment predevelopment and construction loan in an amount not to exceed Five Million and No/100 Dollars (\$5,000,000), and the Agency wishes to execute a tax increment loan agreement for that amount, to enable the Developer to pursue predevelopment activities for the construction and management of the Project. The Citywide Affordable Housing Loan Committee approved this request on January 15, 2010 and May 21, 2010.
7. The San Francisco Planning Department (the "Planning Department") prepared a Preliminary Negative Declaration for the proposed Project (Case No. 2008.1398E) pursuant to the California Environmental Quality Act ("CEQA"). The Preliminary Negative Declaration, which was published on March 31, 2010, describes the proposed Project, assesses potential environmental impacts of the proposed Project, and concludes that the proposed Project would not result in any significant adverse environmental effects.
8. On April 21, 2010, the Planning Department adopted the Final Negative Declaration for the proposed Project. On April 22, 2010, the Planning Commission adopted Resolution No. 18077, including adoption of environmental findings pursuant to CEQA and the Veterans Commons Special Use District ("SUD") that is necessary in order to implement the Project. Subsequently, on May 18, 2010, the San Francisco Board of Supervisors adopted environmental findings pursuant to CEQA and the SUD in Ordinance No. 110-10.
9. Based on the Agency's independent review of the Final Negative Declaration and all available information regarding the Project, the Agency finds that the proposed Project is consistent with the project description contained in the Final Negative Declaration and would not result in any significant impacts not identified in the Final Negative Declaration or any impact identified in the Final Negative Declaration that would be substantially more severe.


RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco as follows:

1. It has reviewed the Final Negative Declaration and finds that the Final Negative Declaration reflects the independent judgment and analysis of the Agency and adopts the Final Negative Declaration, finding it to be adequate and prepared in accordance with CEQA.

2. The Executive Director is authorized to execute a Tax Increment Loan Agreement with 150 Otis Associates L.P., a California limited partnership, in an amount not to exceed \$5,000,000, for the predevelopment and construction of up to 75 units of very low income supportive rental housing for formerly homeless veterans and one manager's unit at 150 Otis Street, 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:

for 

James B. Morales
Agency General Counsel