

RESOLUTION NO. 89-2010

Adopted June 15, 2010

**AUTHORIZING A SECOND AMENDMENT TO THE
PREDEVELOPMENT LOAN AGREEMENT WITH THIRD AND
LECONTE ASSOCIATES, L.P., A CALIFORNIA LIMITED
PARTNERSHIP, TO INCREASE THE LOAN AMOUNT BY \$2,237,250,
FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$4,049,309,
FOR THE DEVELOPMENT OF 73 UNITS OF VERY LOW-INCOME
RENTAL SUPPORTIVE HOUSING AT 6600 THIRD STREET;
BAYVIEW HUNTERS POINT 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 Redevelopment Agency of the City and County of San Francisco (“Agency”) undertakes programs for the reconstruction and rehabilitation of blighted areas in the City and County of San Francisco and encourages the development of residential rental developments as affordable housing.
2. On February 17, 2009, by Resolution No. 22-2009, the Agency Commission approved a tax increment loan agreement in the amount of \$3,075,000 (“Acquisition Loan”), and a tax increment predevelopment loan agreement in the amount of \$1,812,059 (“Predevelopment Loan”) with Third and LeConte Associates, L.P. (the “Borrower”). The loans, together totaling \$4,887,059, were funded under the Tax Increment Affordable Housing Fund for the purpose of acquiring 6600 Third Street and developing 73 units of affordable rental housing for low- and very-low income residents on the site (“Project”).
3. On December 1, 2009, by Resolution No. 145-2009, the Agency Commission approved first amendments to the Acquisition and Predevelopment Loans to allow the admission of Mercy Housing Calwest, a California nonprofit public benefit corporation, as the Borrower’s new co-general partner (joining the Providence Foundation), and the admission of South of Market Mercy Housing, a California nonprofit public benefit corporation, as the Borrower’s new limited partner.
4. The Borrower has diligently executed its obligations under the Predevelopment Loan, including completion of environmental review, securing required land entitlements from the San Francisco Planning Department, completion of schematic design documents, and the hiring of a general contractor.

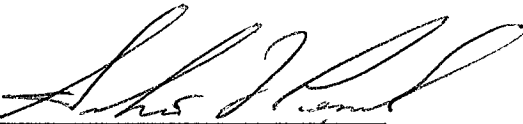
5. In order to competitively apply for Low-Income Housing Tax Credits, complete construction documents, and to commence construction by the assigned date in the Predevelopment Loan's schedule of performance, among other predevelopment activities, the Borrower requires additional funding in the amount of \$2,237,250.
6. Authorizing the Second Amendment to the Predevelopment Loan Agreement ("Second Amendment") is an Agency administrative activity that is not a "Project" as defined by the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5). The Second Amendment will not cause any 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:

1. Execute a Second Amendment to the Predevelopment Loan Agreement with Third and LeConte Associates, L.P. to increase the loan amount by \$2,237,250, for a total loan amount not to exceed \$4,049,309, for the development of 73 units of very low-income rental supportive housing at 6600 Third Street, substantially in the form lodged with the Agency General Counsel.
2. Enter into any and all ancillary documents or take any additional actions necessary to consummate the transactions authorized by this Resolution, in forms to be approved by the Agency General Counsel.

APPROVED AS TO FORM:



for James B. Morales *6/18/10*
Agency General Counsel