

RESOLUTION NO. 90-2010

Adopted June 15, 2010

AUTHORIZING A LETTER AGREEMENT WITH THE SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH IN AN AMOUNT NOT TO EXCEED \$998,610 TO PRESERVE THE SUPPLY OF VERY LOW INCOME HOUSING FOR THE FORMERLY HOMELESS BY PROVIDING OPERATING SUBSIDIES AND SUPPORTIVE SERVICES; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

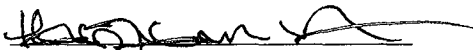
1. Through the Citywide Tax Increment Housing Program, the Redevelopment Agency of the City and County of San Francisco (“Agency”) has provided subsidy for the creation of supportive housing for the formerly homeless, which includes long term affordability restrictions.
2. The City of San Francisco (“City”), through its Department of Public Health (“DPH”), has provided funding required for operating subsidies and supportive services in Agency subsidized affordable housing projects to which DPH has referred formerly homeless individuals, including seniors.
3. Plaza Apartments (the “Plaza”), located at 988-992 Howard Street, provides 106 units of supportive housing to extremely low-income and formerly homeless individuals referred by DPH. The Plaza was developed by the Public Initiatives Development Corporation, a wholly owned subsidiary of the Redevelopment Agency of the City and County of San Francisco (“Agency”), and the Agency owns the land at the site in addition to providing construction and permanent financing for the development of the building.
4. Mission Creek Senior Community (“Mission Creek Senior”), located at 201 Berry Street, provides 139 units of affordable rental housing to very low-income seniors, with 51 of the units set aside for formerly homeless seniors referred by DPH. The Agency owns the land at the site and has provided construction and permanent financing for the development of the building.
5. Due to the current economic downturn and the resulting lack of the City’s General Funds, DPH was unable to budget the necessary funds to provide the operating and services funding required by these sites during Fiscal Year 2009-2010, putting these projects at risk of being unable to serve these extremely low-income households.

6. Upon the request of the Mayor's Office, the Agency agreed to allocate funds for the operating and services needs of DPH funded projects through the Agency's Fiscal Year 2009-2010 budget. The California Community Redevelopment Law authorizes the use of Low and Moderate Income Housing Funds for "subsidies to, or for the benefit of, extremely low income households . . . to the extent those households cannot obtain housing at affordable costs on the open market." Cal. Health & Safety Code Section 33334.2 (e)(8).
7. DPH used its own funds to provide the necessary operating and services funding to the Plaza and Mission Creek Senior during Fiscal Year 2009-2010, and is now requesting funds from the Agency to reimburse its budget. DPH will provide evidence of its disbursements to these projects prior to the Agency disbursing any funds.
8. By providing this funding, the Agency will be preserving these units as permanent housing for the formerly homeless, who are otherwise unable to obtain housing at affordable costs on the open market.
9. To meet the above goals, the Agency recommends funding an amount not to exceed \$998,610 for operating subsidies at the Plaza and operating subsidies and services funding Mission Creek Senior through a Letter Agreement ("Agreement") with DPH, for a term beginning July 1, 2009 and ending June 30, 2010.
10. The approval of the Agreement with DPH to provide operating subsidies and services funding will not independently result in a physical change in the environment and is exempt from environmental review under the California Environmental Quality Act (Section 15061(b)(3), State CEQA Guidelines).

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 Letter Agreement with the San Francisco Department of Public Health in an amount not to exceed \$998,610, beginning July 1, 2009 through June 30, 2010, for operating subsidies and supportive services funding, as part of the Agency's Citywide Tax Increment Housing Program, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel