

RESOLUTION NO. 155-2010

Adopted December 14, 2010

AUTHORIZING A FOURTH AMENDMENT TO THE AMENDED AND RESTATED TAX INCREMENT LOAN AGREEMENT, AND A THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH GREEN BLENDED COMMUNITIES, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, TO INCREASE THE LOAN BY \$2,673,667, FOR A TOTAL AMOUNT NOT TO EXCEED \$11,469,496, TO PROVIDE ADDITIONAL FUNDS FOR MARKETING AND OUTREACH, A BROKER REFERRAL PROGRAM, TO REPAY A CONSTRUCTION LOAN WITH WELLS FARGO BANK, AND TO MODIFY ASSOCIATED TERMS AND CONDITIONS OF THE AGREEMENT RELATED TO THE SALES OF THE UNITS, IN CONJUNCTION WITH THE DEVELOPMENT OF 18 UNITS OF LOW- AND MODERATE-INCOME OWNERSHIP UNITS AT 4800 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM

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 (the "Agency") undertakes programs for the reconstruction and rehabilitation of blighted areas in the City and County of San Francisco (the "City").
2. San Francisco Housing Development Corporation's, a California nonprofit public benefit corporation ("SFHDC"), mission is to provide safe, decent and affordable housing primarily to households in the City's Bayview Hunters Point and Western Addition communities.
3. On November 27, 2001, by Resolution Nos. 208-2001 and 209-2001, the Agency Commission authorized a Tax Increment Affordable Housing Program Redevelopment Loan for \$400,000 (the "Agency Loan") and an Exclusive Negotiations Agreement (the "ENA") with SFHDC leading to a ground lease agreement providing for the redevelopment of 4800 Third Street, an under-developed and blighted property with a 1,584-square-foot building along with 10 surface parking spaces (the "Site") in the Bayview Hunters Point Redevelopment Project Area, as a mixed-use affordable housing development (the "Project"). The Agency acquired the Site on December 14, 2001, pursuant to an Assignment and Assumption Agreement between the Agency and SFHDC for the Purchase and Sale Agreement between SFHDC and the former owner of the Site.


4. From September 16, 2003 through December 18, 2007, the Agency Commission authorized eight amendments to the ENA to amend the schedule of performance and the date of expiration, to allow SFHDC and the Agency to determine a development plan for the Site and to receive input from the community.
5. On June 21, 2005, by Resolution No. 111-2005, the Agency Commission authorized a First Amendment to the Agency Loan to increase the loan amount by an additional \$453,500, for a total amount not to exceed \$853,500, to advance a new development concept for the Project consisting of 18 condominiums for first-time low- and moderate-income homebuyers.
6. SFHDC assigned all of its rights and obligations related to the Site, including the assignment of the Agency Loan, to Green Blended Communities, LLC, a California limited liability corporation (the "Developer"), whose sole managing member is SFHDC.
7. On April 15, 2008, by Resolution Nos. 36-2008 and 37-2008, the Agency Commission authorized the Executive Director to enter into a Disposition and Development Agreement (the "DDA"), and approved an Amended and Restated Tax Increment Loan Agreement (the "Loan Agreement") with the Developer to increase the loan amount by \$6,812,329, for a total aggregate amount not to exceed \$8,465,829, which amount includes the initial acquisition costs of \$800,000, to construct 18 low- and moderate-income homeownership units.
8. On July 21, 2009, by Resolution No. 77-2009, the Agency Commission approved a First Amendment to the Loan Agreement to modify the budget for the use of Agency loan proceeds, and to give the Deputy Executive Director of the Agency's Housing Division the authority to approved single line item changes of up to \$50,000 and aggregate line item changes of up to \$100,000.
9. On February 16, 2010, the Agency Commission authorized a Second Amendment to the Loan Agreement, and a First Amendment to the DDA to modify the schedule of performance and to amend the definition of "qualifying homebuyer" to include households at 120% of area median income to participate in the homebuyer program.
9. On April 20, 2010, by Resolution No. 37-2010, the Agency Commission authorized a Third Amendment to the Loan Agreement, and a Second Amendment to the DDA to provide \$330,000 in additional funds for marketing and outreach, a broker referral program, and carrying costs and to modify associated terms and conditions of the Agreement.
10. The Developer is currently requesting a total of \$2,673,667, for a total amount not to exceed \$11,469,496. This request is related to the continued outreach and marketing of the units at 4800 Third Street, and to repay the Wells Fargo Bank construction loan.

11. Authorizing the Fourth Amendment to the Amended and Restated Tax Increment Loan Agreement, and a Third Amendment to the DDA to provide additional funds to repay the Wells Fargo Bank construction loan, and for marketing and outreach, a broker referral program, and carrying costs, and to modify associated terms and conditions of the agreement related to the sales of the units would not have a significant effect on the environment. These activities are exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3).

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 a Fourth Amendment to the Amended and Restated Tax Increment Loan Agreement, and a Third Amendment to the Disposition and Development Agreement with Green Blended Communities, LLC, a California limited liability corporation, to increase the loan by \$2,673,667, for a total amount not to exceed \$11,469,496, to repay the Wells Fargo Bank construction loan, and to provide additional funds for marketing and outreach, a broker referral program, and carrying costs, and to modify associated terms and conditions of the agreement related to the sales of the units, in conjunction with the development of 18 units of low- and moderate-income ownership units at 4800 Third Street, in the Bayview Hunters Point Redevelopment Project Area, as part of the 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