

RESOLUTION NO. 22-2011

Adopted March 1, 2011

AUTHORIZING A THIRD AMENDMENT TO THE PREDEVELOPMENT LOAN AGREEMENT WITH THIRD AND LECONTE ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO DECREASE THE LOAN AMOUNT BY \$572,265 IN CONNECTION WITH 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

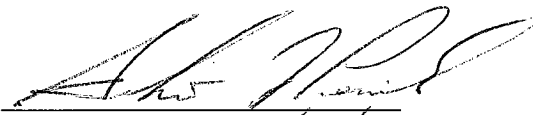
1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), the Redevelopment Agency of the City and County of San Francisco (“Agency”) undertakes programs for the reconstruction and rehabilitation of blighted areas in the City and 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. On June 15, 2010, by Resolution No. 89-2010, the Agency Commission approved a second amendment to the Predevelopment Loan, providing \$2,237,250 in additional predevelopment funding, thus enabling the Borrower to complete architectural design and additional engineering, demolish the site’s blighted structure, and complete all other predevelopment activities required to submit competitive state and low-income housing tax credit applications.

5. The Borrower now seeks to secure permanent funding for the Project from the Agency, the California Tax Credit Allocation Committee, and, as it may become available, from the California Department of Housing and Community Development, in order to commence construction and complete the development.
6. A part of the Project's permanent financing program is the transfer of the Project's land from Borrower to the Agency as fulfillment of Borrower's repayment obligation under the Acquisition Loan. The Acquisition Loan provides that the exchange should include, in addition to the purchase price, land-related costs. To properly include all land-related costs in the Acquisition Loan, Borrower requests the transfer of \$572,265 from the Predevelopment Loan to the Acquisition Loan.
7. Allowing the transfer of funds between the Predevelopment Loan Agreement and the Acquisition Loan Agreement and authorizing the Second Amendment to the Acquisition Loan Agreement and the Third Amendment to the Predevelopment Loan Agreement are Agency administrative activities that are not "Projects" as defined by California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5). These loan amendments will not cause any physical change in the environment and are 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 execute a Third Amendment to the Predevelopment Loan Agreement with Third and LeConte Associates, L.P., a California limited partnership, to decrease the loan amount by \$572,265 in connection with 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.

APPROVED AS TO FORM:


s/James B. Morales 2/24/11
Agency General Counsel