AUTHORIZING A FIRST AMENDMENT TO THE OPTION AGREEMENT, 
A FIRST AMENDMENT TO THE MEMORANDUM OF OPTION, A FIRST 
AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT, 
AND A FIRST AMENDMENT TO THE TAX INCREMENT AFFORDABLE 
HOUSING LOAN AGREEMENT WITH HOWARD STREET DEVELOPMENT 
CORPORATION, IN CONJUNCTION WITH THE DEVELOPMENT OF 88 
UNITS OF VERY LOW INCOME HOUSING AT THE NORTHEAST CORNER 
OF 8TH AND HOWARD STREETS; 
SOUTH OF MARKET EARTHQUAKE RECOVERY PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") has 
adopted a goal to provide 142 SRO or studio units in the South of Market Earthquake 
Recovery Project Area.

2. By Resolution No. 116-99 on August 3, 1999, the Agency authorized a grant of $4,600,000 
and a loan of $1,223,000 to Howard Street Development Corporation ("HSDC") for the 
acquisition and development of 88 replacement housing units at 1166-1188 Howard Street.

3. In that resolution, the financing plan that was approved included Project-Based Section 8 
rental subsidies from the San Francisco Housing Authority. The project originally required 
that the Agency would exercise an option to purchase the land, then groundlease it back to 
HSDC or an affiliate partnership.

4. The demand for Project-Based Section 8 rental subsidies exceeded the supply in 1999, and 
the proposed development was unable to secure the Section 8 rent subsidy.

5. To achieve the same affordability levels, HSDC now proposes to finance the project with 
$7,250,000 in equity from the sale of Low Income Housing Tax Credits.

6. In order to meet the requirements of the Low Income Housing Tax Credit Program, HSDC 
proposes to change the ownership structure so that the property will be subdivided into an 
Agency owned Land Parcel and an Air Rights Parcel.

7. To qualify for the Low Income Housing Tax Credits, HSDC also proposes a modification of 
the current Option Agreement, Memorandum of Option, and Regulatory and Grant 
Agreement.
8. Agency staff has reviewed the revised ownership structure and documents and has concluded that approval of HSDC's proposal is necessary for the purposes of maintaining the affordability of this project.

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 the following documents with Howard Street Development Corporation, a California nonprofit public benefit corporation, substantially in the form lodged with the Agency General Counsel:

1. Amended and Restated Agency Option Agreement (8th and Howard) and the Amended and Restated Memorandum;

2. First Amendment to the Regulatory Grant Agreement dated October 13, 1999;

3. First Amendment to the Tax Increment Affordable Housing Loan Agreement dated October 13, 1999.

APPROVED AS TO FORM:

BERTHA A. ONTIVEROS
Agency General Counsel