RESOLUTION NO. 73-2000
ADOPTED MAY 23, 2000

AUTHORIZING THE EXECUTIVE DIRECTOR TO (1) EXERCISE THE RIGHT OF FIRST REFUSAL OR OPTION TO PURCHASE AND (2) EXPEND AN AMOUNT NOT TO EXCEED $250,000 TO PROVIDE LOANS AND GRANTS TO LOW AND MODERATE INCOME FIRST-TIME HOME BUYERS IN CONJUNCTION WITH THE RESALE OF AGENCY ASSISTED OWNERSHIP UNITS; ALL REDEVELOPMENT PROJECT AREAS.

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco established an Affordable Homeownership Program for qualified first-time homebuyers.

2. Qualifications include requirements for compliance with Department of Housing and Urban Development low- and moderate-income guidelines, which cannot exceed 120 percent of the Area Median Income.

3. The Redevelopment Agency has contributed subsidies to developers and to the buyers to effectively reduce the price of homes to a level that is generally commensurate with low- and moderate-income levels. The subsidized loans are secured by a promissory note and a second deed of trust.

4. The promissory note is due and payable when the owner elects to sell the property. The Agency’s Right of First Refusal gives the Agency the right to substitute a buyer and the Agency’s option to purchase permits the Agency to repurchase the unit for resale to a qualified buyer.

5. In order to exercise the Right of First Refusal or Option to Purchase, the Agency has only 20 days to act after its receipt of notice of sale from the owner. Staff recommends that the Executive Director be authorized to exercise the Right of First Refusal or Option to Purchase in order to ensure a timely response from the Agency.

6. Staff also recommends that the Executive Director be authorized to spend additional funds in an amount not to exceed $250,000 to provide loans and grants to low and moderate-income first-time homebuyers in conjunction with the resale of the Agency assisted ownership units.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to exercise the Right of First Refusal or Option to Purchase and to expend an amount not to exceed $250,000 to
provide loans and grants to low- and moderate-income first time homebuyers in conjunction with each resale of assisted ownership units.

APPROVED AS TO FORM:

[Signature]
Bertha A. Ontiveros
Agency General Counsel