RESOLUTION NO. 85-2000
ADOPTED JUNE 13, 2000

AUTHORIZING A SECOND AMENDED AND RESTATED OPTION AGREEMENT WITH HOWARD STREET DEVELOPMENT CORPORATION IN CONJUNCTION WITH THE CONSTRUCTION OF 88 REPLACEMENT UNITS FOR VERY LOW-INCOME HOUSEHOLDS AT 1166-1188 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") has adopted a goal to provide 130 Single Room Occupancy ("SRO") or studio units in the South of Market Earthquake Recovery Redevelopment Project Area.

2. By Resolution No. 116-99 on August 3, 1999, the Agency authorized a Tax Increment Affordable Housing grant of $4,600,000 and a Tax Increment Affordable Housing loan of $1,223,000 to Howard Street Development Corporation ("HSDC") for the acquisition and development of a site at 1166-1188 Howard Street which will contain 88 replacement housing units as well as family housing, commercial and retail space, and a child care center.

3. The Project financing originally required that the Agency would exercise an option to purchase the land, then groundlease it back to HSDC or an affiliate partnership.

4. To meet the requirement of the Low Income Housing Tax Credit Program, the Agency authorized a change in the ownership structure so that the property will be subdivided into an Agency owned land parcel and one or more air rights parcels containing the housing.

5. By Resolution No. 37-2000 on March 14, 2000, the Agency authorized the execution of an Amended and Restated Agency Option Agreement, the Amended and Restated Memorandum of Option, a First Amendment to the Regulatory Grant Agreement, and a First Amendment to the Tax Increment Affordable Housing Loan Agreement as part of approving the new ownership structure of the project.

6. The HSDC is requesting that the Agency Option to acquire the land be amended to extend the first date upon which the Agency may exercise its option from August 1, 2000 to November 1, 2000 which will give HSDC adequate time to subdivide the parcel into the various air rights parcels after receiving a tax credit award this year.

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 Second Amended and Restated Option Agreement with the Howard Street Development Corporation, a California nonprofit public benefit corporation, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

BERTHA A. ONTIVEROS
Agency General Counsel