RESOLUTION NO. 213-2000
Adopted October 31, 2000

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A GROUND LEASE OF THE AGENCY’S LAND AT 180 TURK STREET WITH AM PRESERVATION, L.P., IN CONJUNCTION WITH THE ACQUISITION OF 133 UNITS OF VERY LOW INCOME HOUSING (KNOWN AS ANTONIA MANOR) AND ALL RELATED ACTIONS AND DOCUMENTS AS PART OF THE AGENCY’S HOUSING PRESERVATION PROGRAM; 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 “Law”), the Agency undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the “City”).

2. The Agency is authorized pursuant to the Law to distribute monies to nonprofit developers and sponsors for the specific and special purpose of increasing and maintaining the housing stock in the City and County of San Francisco for very low, low and moderate-income households.

3. The expiration of project-based Section 8 contracts poses a serious threat to San Francisco’s affordable housing stock. The Agency desires to preserve developments with Section 8 contracts as affordable housing by lending or expending Tax Increment Housing Funds. The preservation of such affordable housing benefits the various redevelopment project areas which the Agency has established.

4. 180 Turk Street (the “Project”) is currently financed with a HUD-insured mortgage which the current private owner (“Seller”) intends to prepay, which will have the effect of ending the existing federal low-income rent restrictions placed on the Project.

5. The Agency and the Seller have entered into a purchase and sale agreement to purchase the Site and all the improvements on the Site (the “Improvements”) on June 27, 2000. The Agency has assigned its rights to the Improvements to the Tenderloin Neighborhood Development Corporation (the “Developer”), who intends to acquire the Project in order to preserve its affordability. AM Preservation, L.P. is a single purpose limited partnership and an affiliate entity of the Developer. The financing plan calls for a set of three new tax-exempt bond financed mortgages from the lender, Citibank, FSB, investor equity secured through the sale of tax credits, and Agency funds, including, but not limited to, the assistance provided through this Resolution.

6. The Agency intends to purchase the Site from the Seller for an amount not to exceed $1,800,000. The Developer intends to purchase the Improvements.
7. The Agency wishes to lease the Site to the Developer pursuant to a Ground Lease with an initial term of 50 years with an automatic renewal for an additional 49 years, annual rental payments of $180,000, and requirements that the Developer maintain the Project for very-low and low income tenants. The Agency subsidies make it financially feasible for the Developer to preserve 133 dwelling units for occupancy by very-low and low-income households.

8. A public hearing concerning the proposed Ground Lease has been held in a time and manner required by law.

9. Since the Site will have been acquired with tax increment funds, its transfer is conditioned, as required by California Health and Safety Code Section 33433, upon approval of the Ground Lease by the Board of Supervisors of the City and County of San Francisco after a public hearing. The required public hearing is scheduled for November 13, 2000.

FINDINGS

The Agency hereby finds and determines that:

1. The proposed Ground Lease of 180 Turk Street and the Project is consistent with the Agency objective of developing and preserving affordable housing.

2. Agency financial assistance is necessary to preserve 133 dwelling units for occupancy by very-low and low-income households, as those terms are defined in California Health and Safety Code Sections 50105 and 33334.2.

3. The publication of the Notice of Public Hearing concerning the Ground Lease for 180 Turk Street occurred as required by Section 33431 of the California Health and Safety Code.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director or his designee is authorized to enter into:

1. A Ground Lease with AM Preservation, L.P., a California limited partnership, for the Site located at 180 Turk Street (known as Antonia Manor) for fifty years, which is renewable for an additional term of forty-nine years, substantially in the form lodged with Agency General Counsel, subject to approval by the Board of Supervisors of the City and County of San Francisco, pursuant to California Health and Safety Code Section 33434; and
2. Any and all ancillary documents necessary to consummate the transactions authorized by this Resolution, in forms to be approved by Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
BERTHA A. ONTIVEROS
Agency General Counsel