RESOLUTION NO. 242-2000
Adopted November 28, 2000

AUTHORIZING A SECOND AMENDMENT TO THE AGREEMENT FOR DISPOSITION OF LAND FOR PRIVATE REDEVELOPMENT TO EXTEND THE TERM OF THE AGREEMENT AND OTHER MODIFICATIONS IN CONJUNCTION WITH THE ACQUISITION OF THE PROPERTY AT 1480 SUTTER STREET BY GOUGH STREET, LLC AS SUCCESSOR IN INTEREST TO SUTTER APARTMENTS, A CALIFORNIA LIMITED PARTNERSHIP; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

1. The expiration of project-based Section 8 contracts poses a serious threat to San Francisco’s affordable housing stock. Many of the housing developments with expiring Section 8 contracts are located in Redevelopment Project Areas, the Redevelopment Agency of the City and County of San Francisco (“Agency”), acting on behalf of the City and County of San Francisco, desires to preserve developments with Section 8 contracts as affordable housing by facilitating purchases to entities devoted to such preservation.

2. The Sutter Apartments is a 68-unit housing development located at 1480 Sutter Street (the “Property”) that is “at-risk” of converting from affordable housing to market rate housing. Burlingame Management, Inc. (the “Developer”), has purchased the Property to operate as long-term affordable housing for low-income persons.

3. On December 7, 1973, the Agency entered into an Agreement for Disposition of Land for Private Development (the “LDA”) for the Property with the Maisin Development Corporation. This Agreement called for acquisition of the Property by the Maisin Development Corporation.

4. The Agreement was subsequently amended through a First Amended Agreement, dated as of March 25, 1976. The Amended Agreement required the Maisin Development Corporation to undertake development and construction of a residential building on the Property in accordance with the then applicable terms of the redevelopment plan for the Western Addition Redevelopment Project Area A-2 (“Project Area”). The Maisin Development Corporation proceeded to construct the improvements required pursuant to the terms of the Agreement and received from the Agency a Certificate of Completion dated June 7, 1978.
5. On or about November 24, 1999, Burlingame Management, Incorporated (through Gough Street, LLC, an affiliate entity) entered into a Purchase Contract for the purchase of the Property with Sutter Apartments, a California limited partnership (the current Agency-approved owner).

6. Gough Street, LLC, a single asset limited liability company, will become the owner of record for the Property. Gough Street, LLC shall purchase the Property with the intent of preserving said property as an affordable senior housing development.

7. The Second Amendment to the Agreement for Disposition of Land for Private Redevelopment, will require the Developer to renew the project-based Section 8 contract (or its replacement rental subsidy) for a full fifty-five (55) year affordability term, and give the Agency a first right of purchase after the expiration of the term.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into and execute a Second Amendment to the Agreement for Disposition of Land for Private Redevelopment, substantially in the form lodged with Agency General Counsel, to extend the term of the agreement and other modifications in conjunction with the acquisition of the property at 1480 Sutter Street by Gough Street, LLC as successor in interest to Sutter Apartments, a California limited partnership, in the Western Addition Redevelopment Project Area A-2.

APPROVED AS TO FORM:

[Signature]
Bertha A. Ontiveros
Agency General Counsel