RESOLUTION NO. 31-2001
Adopted February 13, 2001

AUTHORIZING THE EXECUTIVE DIRECTOR TO: 1) ENTER INTO AN ASSIGNMENT AGREEMENT AS TO A PURCHASE AND SALE AGREEMENT WITH A.F. EVANS COMPANY, INC., A CALIFORNIA CORPORATION, IN CONJUNCTION WITH THE PURCHASE OF LAND AT 740 LA PLAYA STREET, SAN FRANCISCO; 2) ENTER INTO AN AGREEMENT WITH OCEAN BEACH APARTMENTS, L.P., TO GUARANTEE THE PAYMENT OF CERTAIN MORTGAGE REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $3,500,000; AND 3) RELATED ACTIONS AND DOCUMENTS TO ENABLE THE ACQUISITION AND RENOVATION OF THE OCEAN BEACH APARTMENTS, 85 UNITS OF VERY LOW INCOME HOUSING, ALL AS PART OF THE AGENCY’S HOUSING PRESERVATION 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 Redevelopment Agency of the City and County of San Francisco (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 increase and maintain the affordability of the housing stock in the City for affordability by 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, an action which benefits the goals and objectives of the Agency’s redevelopment project areas.

4. The Ocean Beach Apartments is an 85-unit residential property (the “Development”) located at La Playa Street in San Francisco (the “Site”). The current owner’s ability to prepay the HUD-insured mortgage puts the Development at risk of conversion to market rate housing.

5. A.F. Evans, Inc. (“the Developer”) has entered into a Purchase and Sale Agreement for the property with Ocean Beach Investors, L.P., a California limited Partnership, and intends to finance the development’s acquisition and rehabilitation through the use of tax-exempt bonds, tax credit and developer equity, and a taxable commercial loan. The Developer requests that the Agency assume the right to purchase the land from the Developer, contingent upon the Agency’s approval of an appraisal of the Development.
6. Underwriting of the mortgage debt against the property will require a guarantee against termination of the Development’s Section 8 rental subsidy contract. The Developer therefore requests that the Agency guarantee the payment of certain mortgage revenue bonds in an amount not to exceed $3,500,000, through a Standby Payment Agreement benefiting Ocean Beach Apartments, L.P., the limited partnership which will be formed by A.F. Evans and its non-profit partner (to be selected at a later date) for preservation of the Development.

7. On February 2, 2001, the Citywide Housing Loan Committee reviewed the requested actions and recommends Commission approval of such actions.

**BASIS FOR RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco, subject to the San Francisco Board of Supervisors’ approval of the Agency’s FY 2001-2002 budget in an amount sufficient to achieve the objectives of this Resolution and the Housing Preservation Program, that the Executive Director and other officers of the Agency are authorized to enter into the following agreements and obligations in substantially the form lodged with Agency General Counsel:

1. An Assignment and Assumption Agreement with A.F. Evans Company, Inc., a California corporation, as to the purchase of the land at 740 La Playa Street, San Francisco, and pursuant to the Purchase and Sale Agreement dated November 27, 2000 by and between Ocean Beach Investors and A.F. Evans Company, Inc.

2. A Standby Payment Agreement with Ocean Beach Apartments, L.P., a California limited partnership, to guarantee the payment of certain mortgage revenue bonds in an amount not to exceed $3,500,000.

3. Any and all ancillary documents necessary to carry out the transactions authorized by this Resolution.

**APPROVED AS TO FORM:**

[Signature]

BERTHA A. ONTIVEROS
Agency General Counsel