RESOLUTION NO. 70-2001
Adopted May 1, 2001

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A STANDBY REPAYMENT AGREEMENT WHEREBY THE AGENCY CONDITIONALLY GUARANTEES TO 4445 – 3RD STREET ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, A PORTION OF THE SECTION 8 CONTRACT RENTS FOR 15 YEARS IN CONJUNCTION WITH THE CONSTRUCTION OF 30 VERY LOW INCOME RENTAL UNITS AT 4445 – 3RD STREET, IN AN AMOUNT NOT TO EXCEED $1,125,000; 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. On October 20, 1998, the Commission authorized Agency staff to enter into a Housing Opportunities for Persons with AIDS (“HOPWA”) Capital Loan Agreement with San Francisco Housing Development Corporation (“SFHDC”) in an amount not to exceed $750,000 to acquire property at 4445-3rd Street for an affordable housing development.

3. On February 2, 1999, the Commission authorized a First Amendment to the HOPWA Capital Loan Agreement to add an additional $450,000 in funding to acquire two adjacent parcels.

4. On March 3, 2000, SFHDC requested a total of $2,179,576 in Proposition A Bond Funds for predevelopment and construction costs.

5. Additional permanent funding has been secured from a private lender (California Federal), an Affordable Housing Program (“AHP”) grant, and National Equity Fund, Inc. (“NEF”) who is the Tax Credit Limited Partner Equity Investor for this development. As a condition to NEF’s funding, SFHDC formed a co-general partner relationship with Mission Housing Development Corporation (“MHDC”), leading to the creation of the 4445-3rd Street Associates as the general partner (“Partnership”).

6. In order to induce California Federal to increase its permanent loan by approximately $1,125,000 the Agency must guarantee the additional income the project will receive under the Section 8 contract through the authorization of a Standby Repayment Agreement. The Standby Repayment Agreement would guarantee repayment of debt service to the California Federal in certain circumstances related to the loss of Section 8 income in order for the Partnership to avoid a default.

7. The Agency wishes to enter into an Agency Standby Repayment Agreement, for which the Agency’s maximum contingent liability will be $1,125,000 plus applicable interest.
8. At its meeting of March 3, 2000, the Citywide Affordable Housing Loan Committee recommended approval of the Agency Standby Repayment Agreement.

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:

1. Enter into an Agency Standby Repayment Agreement with 4445-3rd Street Associates, a California limited partnership, with San Francisco Housing Development Corporation or its affiliate acting as the managing general partner, substantially in the form lodged with Agency General Counsel; and

2. Enter into any and all ancillary documents or take any additional actions 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