RESOLUTION NO. 90-2001
Adopted May 22, 2001

AUTHORIZING A PREDEVELOPMENT GRANT AGREEMENT WITH
MARTIN LUTHER KING - MARCUS GARVEY SQUARE COOPERATIVE
APARTMENTS, INCORPORATED, A CALIFORNIA MUTUAL BENEFIT
NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED $45,000 IN
CONJUNCTION WITH A CAPITAL NEEDS ASSESSMENT OF 211 UNITS OF
LOW-INCOME COOPERATIVE HOUSING; 1680 EDDY; WESTERN
ADDITION REDEVELOPMENT PROJECT AREA A-2

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 (“Agency”) undertakes
programs for the reconstruction and rehabilitation of slums and blighted areas in
the City and County of San Francisco.

2. Martin Luther King / Marcus Garvey Square Cooperative Apartments,
Incorporated (“Sponsor”) has requested a predevelopment grant to perform a
capital needs assessment of 211 units of low-income cooperative housing located
on two square blocks on Eddy Street between Steiner and Pierce and Turk and
Ellis, known as 1680 Eddy Street (“Project”), in the Agency’s Western Addition
Redevelopment Project Area A-2 (“Project Area”).

3. The Project is a HUD 221 d (3)/ FHA 236 development with approximately 166
of its 211 units occupied by Section 8 eligible low-income households developed
in partnership with the Agency in 1969.

4. The Citywide Affordable Housing Loan Committee approved a loan of $45,000 to
the Sponsor for the Project on February 2, 2001 and recommends Commission
approval provided that the Sponsor fills all future vacancies with Section 8
eligible residents.

5. The Project suffers from a variety of deferred maintenance issues that need to be
defined and the Sponsor has requested assistance. The Agency has been working
with HUD and the Sponsor to assess the extent of damage and disrepair to
develop a realistic prioritized scope of work for the Project which will include
assessment of Phase I issues, if relevant.

6. These deferred maintenance issues were caused by the lack of rent increases over
several years. The Sponsor has taken steps to correct this problem by instituting a
9% rent increase in September 2000 and another 3% increase in December 2000.
7. The Agency has determined that a predevelopment grant will provide critical resources for making progress towards abating a source of blight in the Project Area.

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 Predevelopment Grant Agreement with Martin Luther King-Marcus Garvey Square Cooperative Apartments, Incorporated, a California mutual benefit nonprofit corporation, in an amount not to exceed $45,000, for a capital needs assessment of 211 units of low-income cooperative housing, substantially in the form lodged with Agency General Counsel.

APPROVED AS TO FORM:

Bertha A. Ontiveros
Agency General Counsel