RESOLUTION NO. 99-2001

Adopted June 5, 2001

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE FOLLOWING DOCUMENTS WITH TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION ("TNDC"), PERTAINING TO THE REHABILITATION AND OPERATION OF 179 UNITS OF HOUSING FOR VERY LOW INCOME PERSONS AT THE ALEXANDER RESIDENCE, 230 EDDY STREET: 1) A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS CAPITAL LOAN AGREEMENT IN THE AMOUNT NOT TO EXCEED $565,000 TO ENABLE 18 UNITS OF RENTAL HOUSING FOR VERY LOW INCOME PERSONS WITH DISABLING HIV/AIDS; AND 2) A STANDBY PAYMENT AGREEMENT WITH TNDC AND THE ALEXANDER PERMANENT LENDER IN AN AMOUNT NOT TO EXCEED $4 MILLION TO GUARANTEE A 15-YEAR LOAN UNDERWRITTEN WITH SECTION 8 RENT SUBSIDIES; THE AGENCY’S HOUSING AND PRESERVATION AND CITYWIDE TAX INCREMENT HOUSING PROGRAMS

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., (the “CRL”), 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 CRL 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 Alexander Residence is a 179-unit residential property (the “Development”) located at 230 Eddy Street, San Francisco, California (jointly the “Alexander”), which was “at-risk” of conversion to market-rate housing. To preserve this housing, the Agency and Tenderloin Neighborhood Development Corporation
the “Sponsor”) acquired the land and the Development, respectively, on December 19, 2000.

5. To facilitate the Sponsor’s purchase of the Development and meet an accelerated closing schedule, the Agency made a twelve-month loan of $4,711,475 to the Sponsor for acquisition and predevelopment activities. Since the acquisition date, the Sponsor has fulfilled its Agency loan obligation to design a development and financing program for the long-term ownership and operation of the Development.

6. In response to the need for SRO-type units that serve very low income people with disabling HIV/AIDS, the Sponsor has included eighteen Housing Opportunities for Persons with AIDS (“HOPWA”) units as part of the Alexander development plan. The Sponsor has requested $565,000 in HOPWA funds to provide such units.

7. The Sponsor’s permanent financing plan includes, in addition to the HOPWA capital grant, 9% Low Income Housing Tax Credits, developer equity, and two conventional loans (“A” and “B” mortgages). The permanent financing will be used, in part, to repay the Agency’s tax increment loan.

8. The Development’s “B” mortgage will be a 15-year loan underwritten with existing Section 8 rental subsidies from the U.S. Department of Housing and Urban Development (“Section 8”), which are renewed annually. The Development’s permanent lender therefore requires a loan guaranty that the Agency will repay the loan if Congress does not renew the Section 8 program at any point during the life of the loan or if there is a loss of Section 8 rental subsidies. The Agency’s Standby Payment Agreement will provide the necessary Agency guaranty for this funding.

9. On May 18, 2001 the Citywide Housing Loan Committee reviewed the requested actions and recommends Commission approval of such actions.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco 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. A Housing Opportunities for Persons with AIDS Program Capital Loan Agreement in the amount not to exceed $565,000 with Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation, for the provision of 18 units of rental housing for very

2. A Standby Payment Agreement with the Tenderloin Neighborhood Development Corporation and the Alexander Residence permanent lender in an amount not to exceed $4 million, to guarantee a 15-year loan underwritten with Section 8 rental subsidies for the acquisition and rehabilitation of the Alexander Residence.

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