RESOLUTION NO. 137-2001
Adopted July 24, 2001

AUTHORIZING THE EXECUTIVE DIRECTOR TO: 1) EXECUTE A GROUND LEASE WITH OCEAN BEACH APARTMENTS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE LAND AT 720 LA PLAYA STREET; 2) ENTER INTO A TAX INCREMENT LOAN AGREEMENT WITH OCEAN BEACH APARTMENTS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR AN AMOUNT NOT TO EXCEED $453,125 FOR THE ACQUISITION AND REHABILITATION OF 85 UNITS OF VERY LOW INCOME HOUSING AT 720 LA PLAYA STREET, THE OCEAN BEACH APARTMENTS; AND 3) EXECUTE ALL 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; 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 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 that 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 720 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. To preserve the Development as permanent affordable housing, the Commission approved the following actions at its meeting of February 13, 2001: 1) entrance into an Assignment and Assumption Agreement for purchase of the land; 2) provision of a second mortgage guarantee, due to the loan’s underwriting with Section 8 subsidies; and 3) approval of an inducement resolution for the issuance of Multifamily Housing Revenue Bonds.
6. The Site’s developer, Ocean Beach Apartments, L.P., a limited partnership consisting of A.F. Evans, Inc. and the San Francisco Housing Development Corporation, the non-profit managing general partner (the “Developer”), has secured an allocation of tax exempt Multifamily Housing Mortgage Revenue Bonds from the California Debt Limit Allocation Committee (“CDLAC”) in the amount of $9,649,519 (the “Bonds”) for the acquisition and rehabilitation of the Development. A corresponding taxable bond amount of $2,603,886 would be issued, which does not require a CDLAC allocation.

7. In furtherance of the Commission’s authorizations of February 13, 2001, and pursuant to the Developer’s award of a CDLAC bond allocation, the Developer has requested that the Agency execute a 50-year Ground Lease for the Site and provide a permanent acquisition and construction loan to the Development in an amount not to exceed $453,125 in citywide tax increment funds.

8. On June 22, 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 that the Executive Director is authorized to enter into the following agreements and obligations in substantially the form lodged with Agency General Counsel:

1. A Ground Lease Agreement with Ocean Beach Apartments, L.P., a California Limited Partnership, as to the Agency’s interest in the land at 720 La Playa Street.

2. A Tax Increment Loan Agreement in an amount not to exceed $453,125 for the acquisition and renovation of 85 units of very low-income housing at 720 La Playa Street, Ocean Beach Apartments.

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