RESOLUTION NO. 176-2001
Adopted October 9, 2001

AUTHORIZING A GROUND LEASE WITH NAMIKI APARTMENTS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE AGENCY'S INTEREST IN THE LAND AT 1776 SUTTER STREET; 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 (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 Namiki Apartments is an 34-unit residential property (the “Development”) located at 1776 Sutter Street in San Francisco (the “Site”). The current owner’s ability to terminate the Section 8 Housing Assistance Payments contract in 2004 puts the Development at risk of conversion to market rate housing.

5. To preserve the Development as permanent affordable housing, the Commission, at its meetings of September 14, 1999, February 20, 2001, and May 15, 2001, approved: 1) a Resident Capacity Grant with Namiki Tenants’ Association for $22,350; 2) entrance into an Assignment and Assumption Agreement for purchase of the land; 3) a Predevelopment Grant in an amount not to exceed $180,000; 4) provision of a second mortgage guarantee, due to the loan’s underwriting with Section 8 subsidies; and 5) an inducement resolution for the issuance of Multifamily Housing Revenue Bonds.

6. The Site’s developer, Chinatown Community Development Center, a California non-profit public benefit corporation (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 $7,035,344 (the “Bonds”) for the acquisition and rehabilitation of the Development.
7. In furtherance of the Commission's authorizations 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 with a 49-year option or
alternatively a 60-year Ground Lease with a 39-year option. The Agency
Commission to authorize the Executive Director to approve the Term.

8. On May 4, 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 Namiki Apartments, L.P., a California
Limited Partnership, as to the Agency's interest in the land at 1776 Sutter
Street for a Term to be approved by the Executive Director.

2. Any and all ancillary documents necessary to carry out the transaction
authorized by this Resolution.

APPROVED AS TO FORM:

Bertha A. Ontiveros
Agency General Counsel