RESOLUTION NO. 227-2001

Adopted December 18, 2001

AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH COMMUNITY HOUSING PARTNERSHIP, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO RESTRUCTURE A PREVIOUS LOAN AND TO INCREASE THE LOAN AMOUNT BY $4,392,017 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $4,788,630, FOR THE REHABILITATION OF 86 UNITS OF VERY LOW INCOME RENTAL HOUSING UNITS INCLUDING MODERNIZATION OF THE ELEVATOR AT THE SENATOR RESIDENCE, 519 ELLIS STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is authorized, pursuant to the California Community Redevelopment Law (Health and Safety Code, Section 33000, et seq.) and desires to distribute money from its Low and Moderate Income Housing Fund for the specific and special purpose of increasing and maintaining the housing stock in the City and County of San Francisco as affordable to very low, low, and moderate income households.

2. On July 2, 1991 the Agency approved a tax increment loan in the amount of $301,667 (the "Loan") and a tax increment grant in the amount of $1,175,000 (the "Grant") to Community Housing Partnership, a California nonprofit public benefit corporation ("CHP"), for the acquisition and rehabilitation of 87 units of affordable housing at the Senator Residence located at 519 Ellis Street (the "Senator"). At the time of acquisition CHP completed a limited rehabilitation based on available funding at that time with the intention of submitting an application for additional funds to do a complete rehabilitation at the Senator at a later date.

3. Based on the approvals, on August 1, 1991, the Agency executed the Grant and the Loan, as evidenced by a Promissory Note and Deed of Trust, with CHP.

4. On June 2, 1992 the Agency approved an additional tax increment grant in the amount of $244,582 for rehabilitation costs associated with financing and construction delays and unit accessibility.

5. CHP was not able to make any payments on the Loan for the first six years after the rehabilitation completion due to less than projected increases from the Section 8 program for the first six years of operation.

6. CHP has requested a change to the loan terms of the existing Loan to allow CHP to repay the Loan based on residual receipts and CHP has requested to increase the Loan to the
amount of $293,124 to further rehabilitate the Senator and to restructure the existing Loan. This would allow CHP to use the Agency funds that were placed in the Operating Reserve Account in lieu of payment of debt service to rehabilitate the Senator and to temporarily relocate tenants who are unable to use the stairs during the construction period.

7. CHP has also requested $4,098,893 in construction financing. Disbursement of these funds is contingent upon an award from the State of California Department of Housing and Community Development’s Multifamily Housing Program (“MHP”) funds to CHP for the Senator and will be repaid in one lump sum upon receipt of MHP funds.

8. The total proposed loan amount will include the $301,667 original Loan, $94,946 of interest due on the original Loan, the $293,124 amount currently requested to rehabilitate the Senator, and $4,098,893 for construction costs for a total aggregate amount of $4,788,630.

9. The Citywide Loan Committee reviewed the request for additional funds and the restructuring of the existing loan on December 7, 2001 and recommended that the Commission approve the request.

10. The Agency now desires to (1) change the Loan terms, (2) increase the Loan amount by $4,392,017 for a total aggregate amount not to exceed $4,788,630, and (3) to restructure the existing loan.

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 and execute a Tax Increment Loan Agreement to restructure a previous loan to Community Housing Partnership, a California nonprofit public benefit corporation, and to add an amount not to exceed $4,392,017 for an aggregate amount of $4,788,630 for rehabilitation costs at the Senator Residence located at 519 Ellis Street, in substantially the form lodged with Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
Bertha A. Ontiveros
Agency General Counsel