

RESOLUTION NO. 25-2002

Adopted February 19, 2002

AUTHORIZING A PARTIAL ASSIGNMENT AND ASSUMPTION OF THE PURCHASE AND SALE AGREEMENT FROM MERCY HOUSING CALIFORNIA, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, FOR THE AGENCY'S PURCHASE OF LAND AT 1301-1327 POLK STREET IN AN AMOUNT NOT TO EXCEED \$1,820,000, INCLUDING RELATED CLOSING COSTS, FOR THE ACQUISITION AND REHABILITATION OF 72 UNITS OF VERY LOW INCOME SENIOR HOUSING AT THE LELAND HOTEL; AGENCY CITYWIDE TAX INCREMENT AFFORDABLE 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 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. Mercy Housing California, a California non-profit public benefit corporation ("Mercy"), has entered into a Purchase and Sale Agreement for the Leland Hotel, 1301-1327 Polk Street (the "Property"), with S.B.L. Chang and G.W.C. Chang, and intends to convert the Property to seventy-two units of senior housing for very low-income households. Mercy has established Mercy Housing California XVIII, L.P., a California limited partnership (the "Developer"), to serve as the tax credit partnership for the acquisition, rehabilitation and operation of the Property. Mercy Properties, Inc., a Colorado non-profit public benefit corporation, will serve as the managing general partner of the partnership.
4. To enable the redevelopment of the Property, the Developer requests that the Agency assume the right to purchase the land from the Developer for its appraised value, \$1,800,000. Additional funding sources for the Property's redevelopment will be Proposition A funding from the Mayor's Office of Housing, tax-exempt bonds, developer and tax credit equity, project-based Section 8 rental subsidies, a taxable commercial loan, and Affordable Housing Program funds.

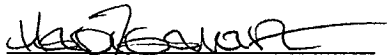
5. On February 1, 2002, the Citywide Housing Loan Committee reviewed the requested action and recommends Commission approval of such action.

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:

- 1) A Partial Assignment of the Purchase and Sale Agreement with Mercy Housing California, a California nonprofit public benefit corporation, for the purchase of the land at 1301-1327 Polk Street, for \$1,800,000 and up to \$20,000 in associated closing costs, in furtherance of the acquisition and rehabilitation of 72 units of very low-income senior housing at the Leland Hotel as part of the Agency's Citywide Tax Increment Affordable Housing Program in substantially the form lodged with Agency General Counsel.
- 2) Any and all ancillary documents necessary to carry out the transactions authorized by this Resolution.

APPROVED AS TO FORM:



← Bertha A. Ontiveros
Agency General Counsel