

## **RESOLUTION NO. 56-2002**

Adopted March 26, 2002

**AUTHORIZING A FIRST AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO REVISE (1) THE PERMITTED COMMERCIAL LOAN TERMS AND INCREASE THE AMOUNT BY \$279,000 TO A TOTAL AMOUNT NOT TO EXCEED \$1,379,000, AND (2) PERMIT AN INCREASE TO THE PREDEVELOPMENT GRANT AMOUNT BY \$30,000 FOR A TOTAL AMOUNT NOT TO EXCEED \$162,000, FOR THE PROPOSED 85-UNIT VERY LOW INCOME SENIOR HOUSING AND ITS RETAIL/INSTITUTIONAL COMPONENT, 827 HOWARD STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA**

### **BASIS FOR RESOLUTION**

1. The Redevelopment of the City and County of San Francisco ("Agency") and Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, ("Owner") entered into a Owner Participation Agreement, dated December 11, 2002 ("Agreement"), under which the Owner proposes and agrees to construct a mixed-used project consisting of approximately 85 very low income rental housing units for the elderly, 9,582 square feet of retail/institutional component and up to 22 parking spaces in a below grade parking structure (the "Project") in the applicable air rights parcels at 827 Howard Street in the Yerba Buena Center Redevelopment Project Area. In addition, the Owner has agreed to re-landscape the area adjacent to the Project and the Housing Authority of the City and County of San Francisco's Clementina Towers (the "Campus Improvements").

2. The Agency has budgeted up to \$2 million for the retail/ institutional component and the Campus Improvements, with non-Agency sources providing the balance of funds required. The Agreement, recognizes the proposed terms of the commercial loan (the "Commercial Loan") and the terms of the predevelopment grant for the Campus Improvements (the "Predevelopment Grant").

3. The Owner has requested an amendment to the Agreement to reflect revisions to the basic Commercial Loan terms referenced in the Agreement to: (1) increase the proposed Commercial Loan amount from \$1.1 million to \$1.379 million, (2) change the proposed Commercial Loan term from 16 to 17 years, and (3) require payment of interest only on the outstanding Commercial Loan balance for the first two years after the City's issuance of a certificate of occupancy for the retail/institutional component of the Project, and thereafter principal and interest amortized for the remaining 15 year period. The Agency Commission will be considering the approval of the Commercial Loan, pursuant to Resolution No. 56-2002, concurrently with this Resolution.

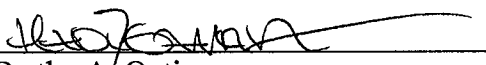
4. In addition, the Owner has also requested an amendment to the Agreement to reflect revisions to the Predevelopment Grant amount referenced in the Agreement to increase the Predevelopment Grant from \$132,000 to \$162,000 to cover additional predevelopment work not anticipated when the original grant amount was approved, and to reduce the total Predevelopment Grant amount from \$900,000 to \$621,000 in conformance with the total Agency budget of \$2 million for the Project's retail/institutional component and the Campus Improvements. The Agency Commission will be considering the amendment of the Predevelopment Grant, pursuant to Resolution No. 57-2002, concurrently with this Resolution.

5. The Agency, in response to the Owner's request, has agreed to recognize the revised Commercial Loan terms and the increased Predevelopment Grant amount as referenced in the Agreement.

### **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 First Amendment to the Owner Participation Agreement with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, to recognize (1) an increase to the proposed Commercial Loan amount by \$279,000 to a total amount not to exceed \$1.379 million and to modify certain terms, and (2) an increase to the Predevelopment Grant amount by \$30,000 for a total amount not to exceed \$162,000, all in connection with the proposed 85-unit very low income senior housing and its retail/institutional component at 827 Howard Street in the Yerba Buena Center Redevelopment Project Area, substantially in the form lodged with Agency General Counsel.

**APPROVED AS TO FORM:**

  
Bertha A. Ontiveros  
Agency General Counsel