

RESOLUTION NO. 57-2002

Adopted March 26, 2002

AUTHORIZING A COMMERCIAL LOAN AGREEMENT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,379,000, FOR THE RETAIL/INSTITUTIONAL COMPONENT OF THE PROPOSED MIXED-USE LOW INCOME SENIOR HOUSING DEVELOPMENT, 827 HOWARD STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

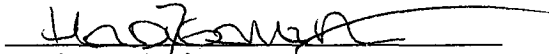
BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") and Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, ("Owner") entered into an Owner Participation Agreement, dated December 11, 2001 ("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 space and up to 22 parking spaces in a below grade parking structure (the "Project") within the air-rights 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 (the "Housing Authority") Clementina Towers (the "Campus Improvements").
2. The Agency has budgeted up to \$2 million for the retail/ institutional component (the "Commercial Loan") and for the Campus Improvements, with non-Agency sources providing the balance of funds required.
3. In order to demonstrate funding availability for the retail/institutional component in its application to be submitted to HUD in April 2002 for increased funding for the housing component, the Owner is requesting the Agency to approve the Commercial Loan at this time for a loan amount not to exceed \$1.379 million, at 3% simple annual interest, for a 17-year term with repayment of the Commercial Loan to start after the City has issued a temporary certificate of occupancy for the retail/institutional component. The repayment will consist of interest only on the outstanding loan balance for the first two years and thereafter principal and interest to amortize the loan. The proposed terms will allow the Project enough time to reach stable operations before commencing loan repayment.
4. The Commercial Loan funds are to be disbursed only after its repayment has been fully secured following the execution and recordation of the proposed ground lease between the Owner and the Housing Authority (the "Ground Lease"). It is anticipated that the Ground Lease will be executed by the end of this year.
5. The Agency and the Owner desire to enter into the Commercial Loan 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 Commercial Loan Agreement with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, for an amount not to exceed \$1,379,000 for the retail/institutional component of the proposed mixed-use low income senior housing development 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:



for Bertha A. Ontiveros
Agency General Counsel