

RESOLUTION NO. 61-2002

Adopted April 9, 2002

AUTHORIZING A COOPERATIVE AGREEMENT WITH THE PUBLIC INITIATIVES DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE PROVISION OF CERTAIN AGENCY STAFF, SERVICES, AND ORGANIZATIONAL RESOURCES IN SUPPORT OF THE CORPORATION'S ACTIVITIES AND PURPOSES IN THE DEVELOPMENT OF LOW AND MODERATE INCOME HOUSING; ALL REDEVELOPMENT PROJECT AREAS

BASIS FOR RESOLUTION

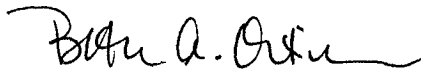
1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33334.2) (the "Law"), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of slums and other blighted areas in the City and County of San Francisco (the "City"), as well as increasing and preserving the supply of housing affordable to low- and moderate-income households.
2. The Agency is authorized pursuant to the Law to undertake activities for the specific and special purpose of increasing and maintaining the housing stock in the City for very low, low and moderate income households.
3. On November 27, 2001, during the Agency Commission meeting, the Commission directed the Agency Executive Director to propose an internal mechanism and process for the Agency's development of the Plaza Hotel and future affordable housing developments.
4. By Resolution No. 21-2002 dated February 12, 2002, the Commission directed Agency staff to commence implementation of direct development of the Plaza Hotel, 988-992 Howard Street.
5. To engage in direct development of affordable housing, the Agency should create a nonprofit public benefit development corporation for financing purposes and to protect the Agency and its assets from financial liability (the "Development Corporation").
6. The proposed Articles of Incorporation state that the purposes of the Development Corporation are the development of low and moderate income housing and such other activities that qualify as charitable purposes within the meaning of the Internal Revenue Code Section 501(c)(3), and that the Development Corporation will be incorporated as the Public Initiatives Development Corporation.

7. Each development of low and moderate income housing by the Development Corporation shall be authorized by resolution of the Agency Commission.
8. The development of low and moderate income housing will be done in a manner consistent with the Agency's obligation under the Law, governing the use of low and moderate income housing funds and other state law provisions governing redevelopment activities, as well as in conformance with the Agency's Housing Policy as adopted in April of 1989 and with the City's Consolidated Plan and Annual Action Plan.
9. In order to avoid incurring unnecessary expense and delay associated with the creation of an entire administrative structure to manage the day-to-day operations of the Development Corporation, including the expense of hiring, retaining, and managing employees, the Agency and the Development Corporation desire to enter into a Cooperative Agreement.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized execute a Cooperative Agreement with the Public Initiatives Development Corporation, a California nonprofit public benefit corporation, for the provision of certain Agency staff, services, and organizational resources in support of the Corporation's development of low and moderate income housing, in substantially the form lodged with Agency General Counsel.

APPROVED AS TO FORM:



BERTHA A. ONTIVEROS
Agency General Counsel