

## RESOLUTION NO. 132-2002

Adopted July 9, 2002

### **AUTHORIZING A FIRST AMENDMENT TO THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT, PUBLIC BENEFIT CORPORATION TO EXTEND THE TERM FOR 12 MONTHS FOR NEGOTIATING A LEASE AND DEVELOPMENT AGREEMENT FOR THE DEVELOPMENT OF AFFORDABLE HOUSING ON PARCEL 1 OF BLOCK N3a; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA**

#### **BASIS FOR RESOLUTION**

1. On January 16, 2001, the Agency authorized entering into an Exclusive Negotiations Agreement ("ENA") with Mercy Housing California ("Mercy") leading to the lease and development of 140 units of affordable senior housing, a branch library, retail/commercial space, an Adult Day Health Center, and non-profit office space (the "Project") on Parcel 1 of Block N3a in the Mission Bay North Redevelopment Project Area ("Site").
2. The initial term of the ENA was 18 months, including extensions granted by the Executive Director as provided for in the ENA. Mercy is now requesting a 12-month extension of the ENA to enable it to secure tax exempt bond financing from the state.
3. The reason an extension is needed is due to the unanticipated complexity of the design and financing of the various uses at the Site, infrastructure issues related to water lines, easements, and soil conditions, negotiating the purchase and sale of the library portion of the Site with the City and County of San Francisco, and the changing needs of non-profit office space in the City which has adversely affected the available funding for this component of the Project.
4. Staff has continued to work with Mercy staff to achieve the performance milestones detailed in the Schedule of Performance, Attachment 2 of the ENA. Milestones completed to date include the submission and approval of schematic drawings and design development documents; a predevelopment loan, preliminary and permanent financing plans; and selection of a general contractor who provided a cost estimate. In addition, Mercy has spent substantial amounts of time and energy over the past six months working with Agency and City staff to complete of the Library Parcel documents.
5. Staff believes that Mercy's progress to date in meeting the ENA milestones combined with its successful work in assisting the Agency to negotiate the Library documents justifies authorizing an extension to the ENA. If Mercy and the Agency are successful in obtaining bonds in the final round of competitive allocations by the state this year, then

Mercy would only need a six month extension to the ENA. However, given the competitive nature of the tax exempt bond allocation process, it is possible that Mercy would need to re-apply for bonds in the first round of next year. For this reason, Mercy has requested and Agency staff is recommending extending the term for an additional six months for a total not to exceed 12 months.

## RESOLUTION

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to:

1. Enter into a First Amendment to the Exclusive Negotiations Agreement with Mercy Housing California, a California nonprofit, public benefit corporation to extend the term for 12 months for negotiating a lease and development agreement for Parcel 1 of Block N3a, Mission Bay North, for the development of 139 units of affordable senior rental housing, a branch library, retail/commercial space, an Adult Day Health Center, and non-profit office space substantially in the form lodged with Agency General Counsel; and
2. Enter into any and all ancillary documents or take any additional actions necessary to consummate the transactions authorized by this Resolution, in forms to be approved by the Agency General Counsel.

**APPROVED AS TO FORM:**



Bertha A. Ontiveros  
Agency General Counsel