

RESOLUTION NO. 163-2002

Adopted September 24, 2002

**AUTHORIZING A REVISION TO THE GROUND LEASE AGREEMENT WITH
MERCY HOUSING CALIFORNIA XXII, A CALIFORNIA LIMITED
PARTNERSHIP, REQUIRING APPROVAL BY THE BOARD OF
SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO FOR
CERTAIN FUTURE SALES OF THE IMPROVEMENTS AT THE DUDLEY
APARTMENTS, 172 SIXTH STREET, IN CONJUNCTION WITH THE
ACQUISITION AND REHABILITATION OF 75 UNITS OF VERY LOW AND
LOW-INCOME RENTAL HOUSING; SOUTH OF MARKET EARTHQUAKE
RECOVERY REDEVELOPMENT PROJECT AREA**

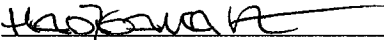
BASIS FOR RESOLUTION

1. California Redevelopment Law (Health and Safety Code, Section 33000, et seq.) (the "Law"), requires a Redevelopment Agency to set aside 20% of its tax increment funds for purposes of developing affordable housing.
2. The Redevelopment Agency of the City and County of San Francisco (the "Agency") administers the tax increment funds for affordable housing projects.
3. On June 25, 2002, the Commission authorized a Ground Lease Agreement, First Amendment to Tax Increment Loan, HOPWA Capital Loan Agreement, and Standby Payment Agreement to partially fund Mercy Housing California XXII, a California limited partnership's (the "Partnership"), rehabilitation of the Dudley Apartments located at 172 Sixth Street in the South of Market Earthquake Recovery Redevelopment Project Area.
4. A public hearing concerning the proposed purchase and Ground Lease was held on July 15, 2002 as required by law and the City and County of San Francisco's Board of Supervisors' (the "Board") approval was obtained as required by California Health and Safety Code Section 33433.
5. The Board's approval was conditioned upon a technical change to the Ground Lease that requires Board approval, consistent with the scope of the Board's review in California Health and Safety Code Section 33433, in the event of the sale of the improvements to an entity not affiliated with the Partnership.
6. The Agency now desires to make this technical change to the Ground Lease with the Partnership for the Property.

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 a revision of the Ground Lease Agreement with Mercy Housing California XXII, a California Limited Partnership, requiring approval by the Board of Supervisors of the City and County of San Francisco for certain future sales of the Improvements at the Dudley Apartments, 172 Sixth Street, in conjunction with the acquisition and rehabilitation of 75 units of very low and low-income rental housing in the South of Market Earthquake Recovery Redevelopment Project Area, in substantially the form lodged with Agency General Counsel.

APPROVED AS TO FORM:


for Bertha A. Ontiveros
Agency General Counsel