

RESOLUTION NO. 164-2002

Adopted September 24, 2002

AUTHORIZING APPROVAL OF LEASE TERMS BETWEEN THE NEW DELHI RESTAURANT AND MM PRESERVATION L.P., A CALIFORNIA LIMITED PARTNERSHIP, PURSUANT TO THE MARIA MANOR GROUND LEASE FOR PROPERTY LOCATED AT 174 ELLIS STREET, AFFORDABLE HOUSING PRESERVATION PROGRAM

BASIS FOR RESOLUTION

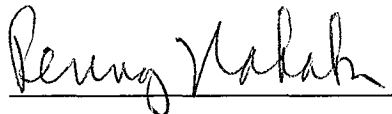
1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the "Law"), the Agency undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
2. The Agency is authorized pursuant to the Law to distribute monies to nonprofit developers and sponsors 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. The expiration of project-based Section 8 contracts poses a serious threat to San Francisco's affordable housing stock. The Agency desires to preserve developments with Section 8 contracts as affordable housing by lending or expending Tax Increment Housing Funds, an action which benefits the goals and objectives of the Agency's redevelopment project areas.
4. Maria Manor is a 119-unit residential property, whose owner had indicated its intent to prepay the HUD-insured mortgage and such property was therefore at risk of conversion to market rate housing.
5. On June 27, 2000, by Resolution No. 116-2000, the Agency approved the acquisition of the property known as Maria Manor (the "Project"), on the real property located at 174 Ellis Street, San Francisco, California (the "Site"), a Purchase and Sale Agreement, an Option and Assignment Agreement, a Tax Increment Loan Agreement not to exceed \$1,555,873 and a Standby Payment Guarantee not to exceed \$1,807,319 with Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation ("Sponsor").

6. Pursuant to the Agency's Resolution No. 215-2000, the Agency executed the Maria Manor Ground Lease (sometimes "Ground Lease") dated as of December 7, 2000 with MM Preservation, L.P., a California limited partnership ("Tenant") whose general partner is the Sponsor.
7. On March 12, 2002 by Agency Resolution 45-2002, the Agency executed a First Amendment to the Ground Lease to extend the Schedule of Performance.
8. On March 12, 2002 by Agency Resolution 46-2002, the Agency executed a First Amendment to the Tax Increment Loan, to authorize the assignment of the Loan to MM Preservation, L.P, and to increase the loan amount by \$1,452,401, for a total loan amount not to exceed \$2,861,274.
9. On March 12, 2002 by Agency Resolution 47-2002, the Agency executed a First Amendment to the Agency Standby Payment Agreement to increase the Agency's contingent standby payment obligation from an original amount of \$1,807,319 to \$2,247,186, plus related costs.
10. The Tenant requests Commission approval of proposed Lease Terms with the Sub Tenant, the New Delhi Restaurant, per Article 14 of the Ground Lease wherein such approval is required.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to provide Agency approval of Lease Terms between the New Delhi Restaurant as Subtenant and MM Preservation L.P., a California Limited Partnership whose General Partner is the Tenderloin Neighborhood Development Corporation, pursuant to Article 14.01 of the Maria Manor Ground Lease by and between the Redevelopment Agency of the City and County of San Francisco as Landlord and MM Preservation, L.P., a California Limited Partnership as Tenant dated December 7, 2000.

APPROVED AS TO FORM:


for Bertha A. Ontiveros
Agency General Counsel