

RESOLUTION NO. 169-2002

Adopted September 24, 2002

**AUTHORIZING A GRANT AGREEMENT WITH TENANTS AND OWNERS
DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT
CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,014,000, FOR THE
RE-LANDSCAPING OF THE COMMON AREA ADJACENT TO CLEMENTINA
TOWERS, 320 CLEMENTINA STREET; YERBA BUENA CENTER
REDEVELOPMENT PROJECT AREA**

BASIS FOR RESOLUTION

1. The Redevelopment 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 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 (the "Commercial Component") and up to 22 parking spaces in a below grade parking structure (the "Project") in the applicable air-rights parcels at 827 Howard Street (the "Site") in the Yerba Buena Center Redevelopment Project Area ("Project Area").

2. The Agreement documents the mutual promises, duties, obligations and responsibilities of the Agency and Owner with respect to the Owner's proposal to develop the Project and undertake the re-landscaping of the area adjacent to the Project and the Housing Authority of the City and County of San Francisco's ("Authority") Clementina Towers ("Campus Improvements") on behalf of the Authority.

3. The Agency has budgeted up to \$2,000,000 for the construction of the Commercial Component of the Project and the Campus Improvements, with non-Agency sources providing the balance of funds required.

4. On December 11, 2001, the Agency and the Owner entered into a Predevelopment Grant Agreement (the "Predevelopment Grant") under which the Agency agreed to provide the Owner with up to \$132,000, of the total Campus Improvements budget of \$900,000, to cover some of the predevelopment activities directly related to the Campus Improvements. On March 26, 2002, the Agency approved a First Amendment to the Predevelopment Grant to increase the amount by \$30,000 to a total amount of \$162,000 to cover the additional cost of determining the projected cost of the Campus Improvements.

5. The Owner has estimated the cost of the proposed re-landscaping at approximately \$2,214,000 and due to the nature of the overall Project, the re-landscaping is scheduled to be completed to two phases: the first phase by January 2003 at an estimated cost of \$1,014,000 and the second phase at an estimated cost \$1,200,000 to be completed after July 2004, when the new construction of the housing and Commercial Component are scheduled to be completed.

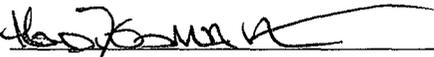
6. The Owner is now requesting that the Agency to enter into a new Grant Agreement for an amount not to exceed \$1,014,000 ("Grant"), which includes the \$162,000 previously approved under the Predevelopment Grant referenced above. The Grant will enable the Owner to pay-off the existing Predevelopment Grant, complete construction of the first phase of the re-landscaping, and start construction on the proposed senior housing and Commercial Component.

7. The Agency desires to execute the proposed Grant Agreement with the Owner, subject to the terms and conditions of the Grant 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 Grant Agreement with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$1,014,000 for the re-landscaping of the common area adjacent to the Clementina Towers, 320 Clementina Street in the Yerba Buena Center Redevelopment Project Area, substantially in the form lodged with Agency General Counsel.

APPROVED AS TO FORM:



Bertha A. Ontiveros
Agency General Counsel