

**RESOLUTION NO. 176-2002**

**Adopted October 8, 2002**

**AUTHORIZING A SECOND AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH MERCY HOUSING CALIFORNIA X, A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$127,626 FOR A TOTAL AGGREGATE AMOUNT OF \$1,957,626 FOR CERTAIN COSTS IN CONNECTION WITH THE REHABILITATION OF THE ROSE HOTEL AT 125 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA**

**BASIS FOR RESOLUTION**

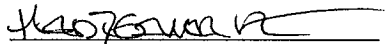
1. On February 29, 1995, by Resolution No. 46-95, the Redevelopment Agency of the City and County of San Francisco ("Agency") Commission authorized a funding commitment of up to \$2,700,000, composed of a loan in the amount of \$750,000 ("Loan Agreement") and a grant in the amount of \$1,950,000 ("Grant Agreement"), in connection with the development of affordable housing at 125 Sixth Street ("Project") in the South of Market Earthquake Recovery Redevelopment Project Area.
2. The Agency disbursed the funds to Mercy Housing California X, a California limited partnership, a California nonprofit public benefit corporation (the "Developer") in connection with the Project.
3. Due to increased construction costs, the Developer applied to the Agency for additional funding of \$250,000, and requested to reallocate \$120,000 from previously authorized grants to loans in order to maximize the low-income housing tax credits awarded to the Project.
4. On August 27, 2002, the Commission authorized the first amendment to the Loan Agreement increasing the amount up to \$1,120,000 and an amendment to the Grant Agreement decreasing the amounts to \$1,830,000, with the Developer.
5. Subsequent to the completion of the rehabilitation work, the Project encountered unforeseen mechanical difficulties with the elevator that severely impacted the Project's operating and replacement reserve accounts.
6. The Developer is now requesting \$127,626 in additional grant funds to replenish the operating and replacement reserves so they can cover the cost of needed elevator repairs.

7. On September 20, 2002, the Citywide Affordable Housing Loan Committee recommended approval of up to \$127,626 in additional grant funds for the Project.
8. The Agency now desires to increase the Grant Agreement amount in an amount not to exceed \$127,626 for a total aggregate grant amount of \$1,957,626.

### 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 second amendment to the Regulatory and Grant Agreement with Mercy Housing California X, a California limited partnership, in an amount not to exceed \$127,626 for a total aggregate amount of \$1,957,626, for certain costs in connection with the rehabilitation of the Rose Hotel at 125 Sixth Street in the South of Market Earthquake Recovery Redevelopment Project Area, in substantially the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

  
for BERTHA A. ONTIVEROS  
Agency General Counsel