

**RESOLUTION NO. 200-2002**  
**Adopted November 19, 2002**

**AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TAX INCREMENT LOAN AGREEMENT WITH 480 VALENCIA, INC., A CALIFORNIA NON PROFIT CORPORATION, FOR AN AMOUNT NOT TO EXCEED \$4,000,000 IN CONJUNCTION WITH THE ACQUISITION, PREDEVELOPMENT, AND REHABILITATION OF 63 VERY LOW INCOME FAMILY RENTAL UNITS AT MARIPOSA GARDENS APARTMENTS, 2445 MARIPOSA STREET, AS PART OF THE AGENCY'S HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING 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 Redevelopment Agency of the City and County of San Francisco (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 increase and maintain the affordability of the housing stock in the City for affordability by 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 that benefits the goals and objectives of the Agency's redevelopment project areas.
4. The Mariposa Gardens Apartments is a 63-unit residential property (the "Development") located at 2445 Mariposa Street in San Francisco (the "Site"). The current owners of the Project are PMG-Inc., a Texas Corporation and PMG Housing Partners 1982-VII, a California limited partnership (the "Partnership" and together with PMG, Inc, the "Owner"). Mission Housing Development Corporation, a California nonprofit public interest development corporation ("MHDC"), currently owns a portion of the Project, as the general partner for the Partnership. The Owner's ability to prepay the HUD-insured mortgage puts the Development at risk of conversion to market rate housing.
5. 480 Valencia Inc., a California nonprofit corporation ("480 Valencia"), with MHDC as it's general partner, has entered into a purchase agreement with the Owner to purchase the Owner's interests in the Development to preserve its affordability for very low-income families through the acquisition and rehabilitation of the Development. The long-term financing plan for the Project calls for the Agency's purchase of the land, tax-exempt-bonds, permanent mortgages, and low-income housing tax credits. 480 Valencia will own the

improvements and commit to a long-term ground lease with the Agency, pending a bond allocation from the California Debt Limit Allocation Committee.

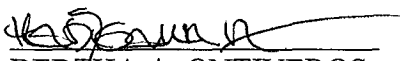
6. Concurrently with its purchase of the Development, 480 Valencia is requesting \$4,000,000 in funding costs associated with the predevelopment and acquisition to preserve the Site as affordable housing.
7. On October 18, 2002, the Citywide Housing Loan Committee reviewed the requested actions and recommends Commission approval of such actions.

### **BASIS FOR 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 the following agreements and obligations in substantially the form lodged with Agency General Counsel:

1. A Tax Increment Loan Agreement with 480 Valencia, Inc., a California nonprofit corporation, in an amount not to exceed \$4,000,000 for the acquisition, predevelopment and rehabilitation of 63 units of very low-income family housing at Mariposa Gardens Apartment, located at 2445 Mariposa Street.
2. Any and all ancillary documents necessary to carry out the transactions authorized by this Resolution.

### **APPROVED AS TO FORM:**

  
for BERTHA A. ONTIVEROS  
Agency General Counsel