

**RESOLUTION NO. 221-2002**

**Adopted December 17, 2002**

**AUTHORIZING A FIRST AMENDMENT TO THE STANDBY  
PAYMENT AGREEMENT WITH AM PRESERVATION, L.P., A  
CALIFORNIA LIMITED PARTNERSHIP, TO INCREASE THE  
AGENCY'S CONTINGENT STANDBY PAYMENT  
OBLIGATION BY \$29,700 FOR A TOTAL AGGREGATE  
AMOUNT NOT TO EXCEED \$1,899,700 PLUS RELATED  
COSTS, FOR THE REHABILITATION OF 133 UNITS OF VERY  
LOW INCOME RENTAL HOUSING UNITS AT THE ANTONIA  
MANOR, 180 TURK STREET, AS PART OF THE AGENCY'S  
AFFORDABLE HOUSING PRESERVATION PROGRAM;  
CITYWIDE TAX INCREMENT HOUSING PROGRAM**

**BASIS FOR RESOLUTION**

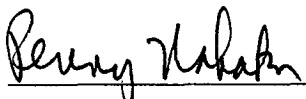
1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the Law), the Agency undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
2. The 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. Antonia Manor is a 133-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. 114-2000, the Agency approved the acquisition of the property known as Antonia Manor (the "Project"), on the real property located at 180 Turk Street (the "Site"), a Purchase and Sale Agreement, an Option and Assignment Agreement, a Tax Increment Loan Agreement not to exceed \$2,223,208 and a Standby Payment Guarantee not to exceed \$1,870,000 with the Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation ("Sponsor").

6. On December 5, 2000 the Agency adopted Resolution No. 246-2000, authorizing the substitution of a loan of Community Development Block Grant ("CDBG") funding for the previously authorized loan to TNDC of Tax Increment funds.
7. Pursuant to TNDC's assignment of the right to acquire, renovate and operate the improvements on the Development, AM Preservation, L.P., a California limited partnership (sometimes "Tenant") whose General Partner is TNDC, entered into the Ground Lease with the Agency on December 7, 2000.
8. The Sponsor and Borrower proceeded diligently with predevelopment work and secured additional permanent financing for the Project rehabilitation and operation, including 4% Low Income Housing Tax Credits, Tax Exempt Bond Mortgage financing, Tax Credit Equity, and a Mark-Up-to-Market Housing Assistance Payment Contract rental subsidy increase.
9. As a result of the expedited predevelopment process and complexity of the rehabilitation scope and phasing, costs for the Development have increased since the June 2000 approval. Additionally, the A Tranche of the bond mortgage has decreased due to a reduction in net operating income and the B Tranche of the bond mortgage has increased due to receipt of a Mark up to Market rental subsidy increase from HUD of the Section 8 rents. This increase in the B Tranche of the bond mortgage requires an increase in the maximum amount of funds guaranteed by the Agency in the Agency Standby Payment Agreement. Accordingly, the Sponsor and Borrower have requested a First Amendment to the Agency Standby Payment Agreement to increase the amount of bonds guaranteed from a principal amount not to exceed \$1,870,000 to a principal amount not to exceed \$1,899,700 plus related costs.

## RESOLUTION

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute an Amended and Restated Standby Payment Agreement, with AM Preservation, L.P., a California limited partnership, to increase the guarantee amount of principal guaranteed by \$29,700 to a total aggregate amount not to exceed repayment of \$1,899,700 in principal plus related costs, for the preservation of 133 units of very low income rental housing at Antonia Manor, 180 Turk Street, and to revise Attachment A, "Section 8 Increment" substantially in the form lodged with Agency General Counsel.

**APPROVED AS TO FORM:**

  
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*for* Bertha A. Ontiveros  
Agency General Counsel