

**RESOLUTION NO. 34-2003**

*Adopted March 11, 2003*

**AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT WITH COMMUNITY HOUSING PARTNERSHIP, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO: (1) INCREASE THE LOAN AMOUNT FOR AN AGGREGATE TOTAL LOAN AMOUNT OF \$ 5,005,930, (2) REVISE THE CONSTRUCTION BRIDGE LOAN REPAYMENT DATE, AND (3) REVISE THE REHABILITATION COMMENCEMENT AND COMPLETION DATES FOR THE REHABILITATION OF 86 VERY LOW-INCOME RENTAL UNITS, THE SENATOR RESIDENCE, 519 ELLIS STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM**

**BASIS FOR RESOLUTION**

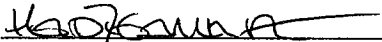
1. The Redevelopment Agency of the City and County of San Francisco (the Agency") is authorized, pursuant to the California Community Redevelopment Law (Health and Safety Code, Section 33000, *et seq.*) and desires to distribute money from its Low and Moderate Income Housing Fund for the specific and special purpose of increasing and maintaining the housing stock in the City and County of San Francisco as affordable to very low, low, and moderate income households.
2. On July 2, 1991, the Agency Commission approved a tax increment loan in the amount of \$301,667 (the "Original Loan") and a tax increment grant in the amount of \$1,175,000 (the "Grant") to Community Housing Partnership, a California nonprofit public benefit corporation ("CHP"), for the acquisition and rehabilitation of 87 units of affordable housing at the Senator Residence located at 519 Ellis Street (the "Senator"). At the time of acquisition CHP completed a limited rehabilitation based on funding available at that time, with the intention of submitting an application for additional funds to do a complete rehabilitation at the Senator at a later date.
3. Based on the approvals, on August 1, 1991, the Agency executed the Grant as evidenced by a Grant Agreement and the Loan, as evidenced by a Promissory Note and Deed of Trust, with CHP.
4. On June 2, 1992, the Agency Commission approved an additional tax increment grant in the amount of \$244,582 for rehabilitation costs associated with financing, construction delays and unit accessibility, for a total aggregate grant amount of \$1,419,582 (the "Amended Grant Amount").

5. CHP was not able to make any payments on the Original Loan for the first six years after the rehabilitation completion due to less than projected increases from the Section 8 program for the first six years of operation.
6. On December 18, 2001, the Agency Commission approved the following actions:
  - (1) A new permanent loan that includes the \$301,667 Original Loan amount, \$94,946 of interest due on the Original Loan and an additional amount of \$293,124 for elevator rehabilitation, for a total aggregate amount of \$689,737 (the "Permanent Loan");
  - (2) A construction bridge loan in the amount of \$4,098,893 (the "Construction Bridge Loan"). Disbursement of the Construction Bridge Loan amount was contingent upon an award of the State of California's Department of Housing and Community Development's Multifamily Housing Program funds to CHP for the Senator and will be repaid in one lump sum upon receipt of MHP funds; and,
  - (3) An additional grant for the full rehabilitation in the amount of \$1,578,215 for a total aggregate grant amount of \$2,997,797.
7. In January 2002, CHP applied for an MHP award for the Project. The Project was not awarded funding at that time. CHP is planning to reapply for MHP funding in March 2003 and has requested to amend the performance dates in their loan to allow the Project to be eligible for the contingent funds if it is awarded an MHP loan.
8. In addition, the interest calculation for interest due on the Original Loan was miscalculated when it was included in the new Permanent Loan Amount. The correct interest amount due as of December 2001 is \$312,246, for a revised Permanent Loan Amount of \$907,037 (the "New Permanent Loan"), and a new total loan amount of \$5,005,930, (the "Loan Agreement") which includes both the New Permanent Loan and the Construction Bridge Loan of \$4,098,893.
9. The Citywide Affordable Housing Loan Committee reviewed the request for additional funds and the restructuring of the Permanent Loan on December 7, 2001 and recommended that the Commission approve the request. On February 21, 2003, the Citywide Affordable Housing Loan Committee reviewed and approved the additional request to revise the Loan Agreement's performance dates, correct the Permanent Loan amount, and revise the Construction Bridge Loan repayment date.
10. The Agency now desires to take the steps approved by the Citywide Affordable Housing Loan Committee.

## 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 a First Amendment to the Tax Increment Loan Agreement with Community Housing Partnership, a California nonprofit public benefit corporation, to: (1) increase the loan amount for an aggregate total loan amount of \$5,005,930, (2) revise the construction bridge loan repayment date, and (3) revise the rehabilitation commencement and completion dates for the rehabilitation of 86 very low-income rental units at the Senator Residence, located at 519 Ellis Street, as part of the Citywide Tax Increment Housing Program, in substantially the form lodged with Agency General Counsel.

### APPROVED AS TO FORM:

  
for Bertha A. Ontiveros  
Agency General Counsel